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ABSTRACT

This advisory report presents 18 recommendations for cost sharing, cooperation among institutions, and meeting future demands for higher education in Ontario. A framework for public policy is offered which stresses the themes of excellence, accessibility, and responsibility and urges differentiation in strengths among colleges and universities, a less regulated environment, accountability, performance assessment, and adequate resources. The recommendations address the following areas: adequacy of total financial support; level of government support; distribution of government funding; research funding and policy; tuition fees and student assistance; private sector support; roles and linkages among colleges and universities; an advisory board on postsecondary issues; future needs; faculty appointment and retention; and the role of private universities. After an introductory chapter, chapter 2 discusses issues related to funding of postsecondary education; chapter 3 explores the roles of various postsecondary institutions and the linkages among them; and chapter 4 analyzes issues related to future demand for postsecondary education. Two appendices include: (1) a list of groups, organizations and individuals who contributed to the report; and (2) a background paper, "Prologue to Change: An Abbreviated History of Public Policy and Postsecondary Education in Ontario" by David M. Cameron and Diana M. Royce. (LEE)

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Report of the Advisory Panel on Future Directions for Postsecondary Education

HE030 414

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December 15, 1996

The Honourable John C. Snobelen
Minister
Ministry of Education and Training
22nd Floor
900 Bay Street
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Dear Minister,

We are pleased to submit to you our report on future directions for postsecondary education in Ontario. We make our recommendations after consultation with several hundred Ontarians who brought diverse perspectives from within and from outside postsecondary institutions.

The province has a postsecondary education system of which they can be proud and which has provided tremendous benefit to individuals and to our society. The high quality of the educational experience is well recognized, whether it is a diploma or certificate granted through a College of Applied Arts and Technology, or an Ontario university degree.

It is imperative that our postsecondary education institutions continue to provide high quality programs and to be accessible. In examining the serious challenges postsecondary education faces, we have thus been guided by the fundamental importance of excellence and accessibility in the context of shared responsibility.

Respectfully,

David C. Smith,
Chair

David M. Cameron

Fred Gorbet

Catherine Henderson

Bette M. Stephenson

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Table of Contents

Summary and Recommendations 1

I. **Introduction** 15
- Mandate of the Panel 15
- Consultation Process 15
- Purposes of Postsecondary Education 16
- Excellence, Accessibility, and Responsibility 17
- Strategy for the Future 19
- Outline of this Report 21

II. **Sharing the Costs** 22
- Financial Resources for Postsecondary Education 22
- Considerations in the Sharing of Costs 25
- The Level of Government Support 27
- The Distribution of Government Funding 27
- Research Funding and Policy 29
- Tuition Fees and Student Assistance 31
- Private Sector Support for Postsecondary Education 37

III. **Roles and Linkages** 41
- The Distinctive Roles of Ontario's Colleges and Universities 41
- Increasing Institutional Linkages 42
- Secondary School Linkages 44
- College Credentials 44
- Advice on Postsecondary Issues 46

IV. **Meeting Future Needs** 49
- Demand for Postsecondary Education 49
- Appointing and Retaining the Finest Teachers and Researchers 53
- Promoting High Standards of Performance 54
- A Limited Role for Privately-Funded Universities 56

V. **Conclusion** 61

Appendices 63

A. Consultation Schedule and List of Groups, Organizations and Individuals who Contributed . . 63

B. Prologue to Change: An Abbreviated History of Public Policy and Postsecondary Education in Ontario (Background Paper) 68

Excellence, Accessibility, Responsibility

Summary and Recommendations

Our Approach to the Mandate

The Advisory Panel on Future Directions for Postsecondary Education was appointed in mid-July, 1996 by the Minister of Education and Training, with the following terms of reference:

1. to recommend the most appropriate sharing of costs among students, the private sector, and the government, and ways in which this might best be achieved;
2. to identify ways to promote and support co-operation between colleges and universities, and between them and the secondary school system in order to meet the changing needs of students;
3. to provide advice on what needs to be done to meet the expected levels of demand for postsecondary education, both with reference to existing public institutions and existing or proposed private institutions.

The Panel was asked to report by December 15, 1996, which necessitated an accelerated approach to consultation and development of our advice. We did not have the time to explore some topics with the care and depth they deserve, and we have noted at various places in the report where we think further study is needed. We drew, however, on the expert knowledge of many people and on the findings of the many studies and reviews of postsecondary education that have been conducted over the past 25 years. We were able to build on their insights.

Our consultation turned out to be extraordinarily interesting and helpful. We met with representatives of every university and college of applied arts and technology, usually in a roundtable format that paired colleges and universities. We were interested in hearing from students, faculty, staff, governors, and administrative officers. Because of the importance, diversity and large size of the student constituency, Panel members made special efforts to meet separately with groups of students at various institutions. The Panel met with representatives from a number of provincial-level organizations, including associations of students, faculty and staff, business and community groups, research and labour organizations, and the general public. Private vocational schools and institutes were also invited to participate.

We met with people from outside the postsecondary sector who could bring a broader perspective to the public policy issues. In addition, we welcomed written briefs from anyone on any aspect of our mandate. While our schedule did not permit meetings with everyone who contacted us, we read all the briefs carefully. A summary of our consultations is in Appendix A of this report.

The number (185) and quality of the briefs attest to the serious and widespread concern about the future of Ontario's postsecondary education sector. We regret that time has not permitted us to incorporate in our report many important arguments contained in the briefs, but, because they are public documents, the briefs will continue as a rich source of information for future studies.

We received, for example, important briefs from aboriginal groups. We applaud and encourage their search for policies that will fit their distinctive needs and will ensure appropriate standards. We came to understand more fully the special needs of northern universities and colleges which must provide a reasonably comprehensive set of programs to geographically dispersed students and the special needs of Franco-Ontarians for programs that are both widely available in French and of high quality. We believe the issues these groups face merit careful attention, but we felt our time was too limited to develop recommendations in these areas that we could advance with confidence.

Appended to our report is a Background Paper by our colleagues, David M. Cameron and Diana Royce. It is a history of postsecondary education in Ontario that provides a valuable context and perspective on the issues of the present.

Our Themes: Excellence, Accessibility, Responsibility

Before turning to our recommendations, we wish to note briefly the sense we have gained of the overall importance of the topic and the themes that have dominated our thinking.

A first-rate and accessible set of universities and colleges will contribute substantially to the economic, social and cultural development of our society. We thus believe deeply that a high priority should be placed on ensuring that Ontario is outstanding in postsecondary education and associated research activity. The benefits of meeting this priority are enormous, as are the costs of not meeting it.

The Panel believes that the basic structure of Ontario's postsecondary sector is sound. There is no need to impose a grand new design. However, there are clear signs that the postsecondary sector is under pressure. The Panel is convinced that, without significant change in the way the sector is evolving and the way it is resourced, its quality and accessibility will be undermined, along with institutional capability to deliver the broad range of programs and the high calibre of research that will be needed in future. We must be careful to preserve existing strengths, but we must also recognize that change is necessary to meet the needs of learners and society in the twenty-first century.

Success in meeting this challenge will depend greatly on the fulfilment of many interrelated and shared responsibilities. Thus,

- Governments are not solely responsible for meeting this challenge. They are responsible for establishing a policy framework within which excellence in learning and research can flourish. They are responsible for providing substantial financial resources because education and research have characteristics of a public good that will not draw sufficient funds from private sources and because governments must help ensure that students with the ability and motivation for higher education are not barred from access to it because they cannot afford it.
- Colleges and universities - in particular, their faculty, staff and members of their governing bodies - have responsibilities for helping to meet this challenge. For example, they are responsible for ensuring that the highest-quality learning opportunities are provided in the areas of their institution's specialization, that resources are not wasted, and that their institution is able to adapt to the changing needs for education and research.
- Private organizations and individuals have an important role to play. They are responsible for supporting the costs of training and research undertaken for their specific benefit. More generally, the success of higher education depends greatly on the devoted work of individual members of governing and advisory boards, on their advocacy of higher education and research as a top priority in our society, and on generous benefactions through which individuals and private organizations permit many excellent initiatives to go ahead.
- Students, the reason we have postsecondary education, are part of the network of responsibilities. They are responsible for making the most of the public investment in their education and for contributing as best they can to the costs. We have already referred to the public responsibility for appropriate support for access. That support should include, to the extent that is reasonable or possible, the student's and family's financial support for access.

A general principle we endorse that draws together some of these responsibilities and focuses on the learning experience is as follows: *Postsecondary education must evolve in a way which provides the opportunity for a high-quality learning experience to every Ontarian who is motivated to seek it and who has the ability to pursue it.*

The framework within which these shared and inter-related responsibilities can best be developed to produce excellence and accessibility should have, in our view, a number of characteristics:

- It should permit the emergence of **differentiation in strengths** among colleges and universities in order that the multiple purposes of the postsecondary education sector can best be attained. These multiple purposes include:
  - to help students to develop their capacity for critical and creative thinking and expression of ideas and to understand various aspects of the body of knowledge and values concerning the world without and within;
  - to provide specialized knowledge and training for professions and vocations and to certify standards in the understanding and use of such knowledge;
  - to be a source for the generation of ideas across the spectrum from theoretical and curiosity driven scholarship and research to the practical applications of knowledge, and to permit a better understanding within one's country of advances on the frontiers of knowledge regardless of where they are occurring in the world;
  - to help preserve the body of knowledge and transmit it through students and through direct services to the community.
- The quality and differentiation of institutional strengths and the effectiveness with which resources are used will be best encouraged in **a less regulated environment** than Ontario has now. Along with expanded opportunities for greater choice, the governing bodies of universities and colleges must become more responsible and more accountable for decisions affecting individual institutions. This position is a practical, not an ideological one. Universities and colleges perform best in education and research when they have a large measure of autonomy, accompanied by accepted principles of **accountability** exercised vigilantly through their governing bodies.
- Overall excellence arises from institutions concentrating on producing the highest quality in the particular functions in which they are specializing. The result should not be hierarchical relationships among institutions but complementary relationships, as institutions contribute to particular facets of the overall purposes. **Performance** should be assessed against standards for the full range of institutions, from research-intensive universities competing internationally to institutions focussed on preparing students for vocations in local communities.
- Finally, it is clear that the **adequacy of resources** is of overwhelming importance. The Panel believes that the level of resources available to Ontario's publicly-funded colleges and universities must be increased in order that quality can be maintained and enhanced and the diverse needs of learners met.

To promote excellence in postsecondary education and associated research activities, to provide accessibility for learners to a wide variety of high-quality learning opportunities, and to establish a framework of shared responsibility to build a postsecondary sector well-prepared to meet the challenges of the twenty-first century, the Panel makes the following recommendations.

Recommendations

Adequacy of Total Financial Support

Total financial support for colleges and universities from public and private sources has become seriously inadequate in recent times. This assessment is based on a variety of measures we have examined, including total financial support available to public postsecondary institutions in other jurisdictions in North America. We believe that the correction of this situation, now and in the future, should be a widely shared responsibility in Ontario.

Recommendation 1

We recommend that Ontarians undertake to correct the current serious inadequacies in total financial resources available to postsecondary education. This undertaking is a shared responsibility that includes government, postsecondary institutions, students and their families, and the private sector.

The Level of Government Support

Recent sharp reductions in government grants to Ontario colleges and universities followed a long period of restraint over the past twenty years. The adverse financial impacts are apparent in many indicators. For example:

- Government operating grants per capita for universities in Ontario are now the lowest of any province in Canada.
- Government funding for major public universities in the United States has increased relative to Ontario.
- The share of Provincial budgetary expenditures for college and university operations has declined since 1977-78 from 8.1% to an estimated 4.9% in 1996-97.
- Universities and colleges have experienced long-term declines in real expenditures per student, while other transfer payment recipients, such as hospitals and elementary and secondary schools, have experienced real growth in expenditures per client served.

Tuition fees have increased substantially in Ontario, but the increase has only partly offset the decline in direct government support. To reduce the impact of higher fees on accessibility, additional government funds have flowed to student assistance programs.

These indicators, along with much other evidence submitted to us, lead us to the conclusion that public financial support for postsecondary education in Ontario is seriously inadequate – indeed it has become so low that the sector's competitive position in North America is dangerously at risk. Much time, effort, and resources have been devoted to building the structure of colleges and universities that Ontario needs. It would be extraordinarily short-sighted to let it crumble now.

Thus, while we appreciate the call for all sectors to share in the general constraints on public expenditures, we believe that much attention must also be given to priorities in a longer-term context. A first-rate postsecondary education system is vital for Ontario's future. To meet this priority, we are convinced that the system should not sustain further reductions in grants, and that a medium-term goal should be for government support to approximate the average of other Canadian provinces and to close the gap with public funding of major public university and college systems in the United States.

Recommendation 2

We recommend that provincial government support of universities and colleges in Ontario be comparable to the average for other Canadian provinces and be reasonably in line with government support of major public university and college systems in the United States. This goal should be achieved by arresting reductions in government grants now and by building towards this goal over several years in ways that strengthen excellence and accessibility.

Distribution of Government Funding

The present method of distributing the government's core operating grants to universities through a corridor system appears to be working well. The corridor funding system provides a buffering from enrolment changes. Within a specified band of enrolment, an institution's share of grants and fees remains unchanged. This system has brought greater stability to shares of revenue than in the past, and it has been conducive to planning. But care is needed to prevent helpful stability from becoming undesirable rigidity. We recognize that, on occasion, minor modifications may be desirable to reduce barriers to adjustments. For example, a university that is closing or reorganizing programs might seek permission to dip temporarily below its lower corridor limit without severe financial penalty.

There is a longer-term issue that should be recognized. Enrolments are projected to increase substantially, especially in the Greater Toronto Area, over the next ten to fifteen years. Ontario's universities and colleges have expressed confidence that they can absorb the projected enrolment increases. In addition, the tuition fee policy we recommend later in this report will strengthen incentives to respond to enrolment pressures. However, in light of the impact a major increase in enrolment would have on the corridor system, the situation should be monitored regularly in the years ahead.

Recommendation 3

We recommend that the major features of the corridor system for distributing the government's core operating grants to universities be maintained with minor modifications to enhance flexibility.

The present method of distributing the government's operating grants to colleges of applied arts and technology - which is essentially a moving average of three years' enrolment - creates undue sensitivity to enrolment and undue dependence of one college's finances on enrolment policies of other colleges. A corridor system, adapted to the special features of colleges, would assist them, we believe, in managing change. Implementation issues, including transition to a new system, will need to be addressed.

Recommendation 4

We recommend that the method of distributing the government's core operating grants to colleges change to a form of corridor funding, reflective of circumstances faced by colleges, with attention to other issues such as the appropriate relationship of support for part-time and full-time students.

Research Funding and Policy

Research is an integral part of the functioning of all universities, although some are evolving as more research-intensive than others. Canadians are highly dependent on universities for basic research and scholarship. Because basic research produces a public good, it requires public funding, much of which comes through federal granting councils but which is also influenced by provincial research policies. A particular difficulty for universities has been that awards from granting councils carry no allowance for associated indirect costs, such as library, equipment, space and principal investigators' salaries, and we do not think the assignment of a higher weight to graduate student enrolment has solved this problem. Moreover, we are concerned by evidence of a slippage in recent years in Ontario's share of peer-adjudicated research grants, especially since we believe research should be a high priority for public policy in Ontario.

It should also be noted that centres of specialization in applied research are emerging in colleges.

We urge the Province to consider a policy of focusing more of its limited resources on promoting excellence in research, through directing funds to the research overheads envelope to be distributed on the basis of measures of quality.

Recommendation 5

i) We recommend that the Government of Ontario increase the size of the Research Overheads/ Infrastructure Envelope from its current level of about $23 million to about $100 million annually.

ii) We recommend that Ontario develop a research policy. This development is urgent in view of the growing concerns about Ontario's competitive position on research. The policy should cover both basic and applied research and should encompass research in both the public and private sectors.

Tuition Fees and Student Assistance

For the past three decades, government has controlled university tuition fees by establishing an annual formula fee applicable to broad categories of programs and allowing universities limited discretion to set actual fees above that level. Universities can set fees, but government controls fees by linking formula fee revenue with the allocation of operating grants: revenue from fees set above the formula rates results in reductions in operating grants. Government currently allows universities to charge fees up to 23% above the formula without penalty. For the colleges, the Province sets a standard tuition fee applicable to all postsecondary programs. For both systems, the government determines the allowable annual increase in fees.

The Panel believes that responsibility for setting fees should be shifted more to the universities and colleges. We support greater institutional flexibility to determine fees, program by program. However, this deregulation is conditional. Flexibility must be balanced by enhanced assistance for students in need. Our proposals are designed to ensure that, as we stated earlier, there is the opportunity for a high-quality learning experience for every Ontarian who is motivated to seek it and who has the ability to pursue it.

With regard to shifting responsibility for setting fees more to universities and colleges, we propose that the following steps be taken:

Recommendation 6

i) We recommend that an institution should be free to set tuition fees at whatever level it regards as appropriate, program by program, on condition that if an institution chooses to set fees above the government-specified upper limit defined in (ii), it must distribute 30% of the incremental revenue as financial assistance to its students, based on need.

ii) We recommend that the government set an upper limit on fees used to calculate the amount of government-provided student assistance for which a student would be eligible. There should be a single limit used for all institutions, both publicly- and privately-funded, participating in the public student assistance program.

iii) We recommend that, with respect to compulsory ancillary fees, those initiated by student governments should continue to be determined by current processes, but all other ancillary fees should be incorporated in the overall tuition fee.

11

iv) We recommend that, along with greater freedom in setting fees, institutions should be sensitive to the need to protect students from substantial, unanticipated increases in tuition fees for programs in which they are currently enrolled. Institutions are encouraged to set tuition fees on the basis of programs of study – rather than on the basis of courses or terms – wherever this can reasonably be done. Moreover, institutions should make special efforts to allocate their financial assistance funds in a way that does not preclude a student, with the motivation and ability, from pursuing courses or programs with higher fees.

We recognize that tuition fees have increased dramatically in the past few years. Currently, the maximum tuition fee for full-time college students is $1,275. For full-time undergraduate university students, it is $2,935. The Panel is aware of students' concerns about increasing debt loads, which may be difficult to repay under the current fixed-term loan arrangements, and the impact of conversion from the grant-first program to a loan forgiveness program. Our recommendations address these and other concerns.

The Panel believes that a strengthened and much-enhanced system of provincial and institutional student assistance should be developed. We favour a mixture of sources of support:

Recommendation 7

i) We recommend that the government introduce an income-contingent loan repayment plan (ICLRP) that would have a number of helpful features to students, including:

- **postponement of interest payments until after the student's program of study is completed or after a fixed number of years (whichever comes first); and**
- **several options for the student to choose from regarding the repayment schedule, including an option to repay faster at any time without penalty.**

ii) We recommend that the income-contingent loan repayment plan be delivered as a joint federal-provincial student assistance plan, administered through the tax system, but that, if the federal government is not prepared to cooperate with Ontario in this task, the provincial government should take whatever steps are necessary to implement an ICLRP on its own. In this latter case, we would urge the federal government to provide appropriate assistance and support to this effort, including administering the tax aspects of the Plan under the Federal-Provincial Tax Collection Agreements and, if necessary, providing full compensation to Ontario to allow it to withdraw from the Canada Student Loans Plan and offer an integrated ICLRP option to Ontario students.

iii) We recommend that, in place of the current approach on loan forgiveness under OSAP which creates uncertainties for students, a program of needs-based grants be introduced. Grants would be provided only to students in publicly-assisted colleges and universities.

iv) We recommend that the Ministry investigate the causes for high rates of default on student loans. It should explore the use of penalties that would make postsecondary institutions with unusually high rates of default more responsible for the loss, but that would not weaken access to postsecondary education.

v) We recommend that interest on money borrowed to pursue eligible postsecondary education programs should be deductible from income in calculating income tax. It is a clear principle of income taxation that interest paid on money borrowed to earn income should be tax deductible, and taking out a loan to make an investment in education is analogous to taking out a loan to make a business investment. This measure should be implemented by the Government of Canada, and we urge the Government of Ontario to indicate to the federal government that it supports such a change and is prepared to forego the provincial tax revenue involved.

vi) We recommend that the present Registered Education Savings Plans (RESP)be brought closer to Registered Retirement Savings Plans (RRSP) in order to encourage saving for postsecondary education. In particular, we urge that the federal government provide the same tax deductibility for RESP contributions that is available for RRSP contributions, and that it be possible to effect one-time transfers from RRSPs to RESPs within the total RESP limits. It should be possible to roll the accumulated investment income in RESPs that is not used for postsecondary education into a RRSP. The Government of Ontario should urge the Government of Canada to implement such a change soon. If the federal government is not prepared to proceed with this change, the provincial government should provide at least a partial tax credit for RESP contributions and the federal government should administer such a credit for the province.

Private Sector Support

Private sector support comes in many forms, including student fees and through the operation of privately-funded postsecondary institutions. In this section, however, we focus on private sector support provided through philanthropy, partnerships and the purchase of training services.

We think there is a potential for increased private donations and gifts, though the overall totals are likely to remain modest in relation to other major sources of revenue for colleges and universities. Moreover, for a number of reasons, donations and gifts continue to be substantially lower in Ontario and Canada than in the United States. One reason is the preferential tax treatment given by the United States to capital gains associated with charitable gifts. A number of Canadian charitable organizations have pointed to this difference in discussions with the federal government and have argued that similar treatment in Canada would lead to significant increases in charitable giving without a major reduction in government tax revenues.

Recommendation 8

We recommend that donations of assets be exempt from the capital gains tax. This change would benefit all charitable organizations.

Business and other organizations have many specific training needs that colleges and, to a lesser extent, universities can provide. Much of this support for training in the past came from federal direct purchases of labour market training from colleges, but this source has sharply declined and is due to be phased out soon. Greater responsibilities for training are being shifted to provinces as a result, and future opportunities for financing training programs will depend also on the interests of the private sector, as well as on developing international training programs. Given the shifting public and private sources of support for training, there is a need for improved means of coordinating various initiatives and for clearer provincial policies on negotiating with international agencies and governments. The regulatory framework should be supportive.

Recommendation 9

We recommend that colleges explore more actively private and international training programs and that the provincial government's coordinating and regulatory role be supportive. The terms of centralized collective agreements in the colleges should take into account the need for flexibility to develop these programs. More broadly, there are growing opportunities for partnerships with private institutions on education and research programs. It is the responsibility of all colleges and universities to have guidelines that preserve the integrity of their institutions in such partnerships.

Roles and Linkages Among Colleges and Universities

We think the basic idea of a parallel system of colleges and universities is still sound, but there is an important evolution in their roles and linkages.

Since the creation of colleges in the mid-1960s, their mandate and missions have developed within a fairly elaborate regulatory and policy framework administered by the Ministry of Education and Training or its predecessors. The Panel supports some easing of the regulations. In particular, the application of prescribed geographical areas for a college's services may be imposing inappropriate limits on the overall scope of a college's services. While colleges should continue their commitments to the education and training needs of local communities, we believe there is no longer a need for government-defined catchment areas. Geographic responsibilities should not be disincentives for the promotion of a college's unique resources on a province-wide basis.

Recommendation 10

We recommend that government-defined catchment areas for colleges be abandoned. At the same time, colleges must continue to fulfill their obligations for education and training of their local or linguistic communities.

While we support a parallel system of differentiated colleges and universities, it is important to remove unnecessary barriers to students wishing to transfer among them and also to the sharing of services and facilities. We are encouraged by the degree of activity in recent years in developing linkages among the institutions and endorse the aims of the recently established consortium to further such linkages.

Recommendation 11

We recommend that the arrangements for credit transfer and cooperative college-university programming, as well as for shared services and facilities, should develop further with government encouragement rather than with government direction. The advisory body we propose in this report should be responsible for stimulating and monitoring the evolving linkages.

The appropriate credentials for recognizing completion of college studies is a difficult issue to which we have given much thought and which has produced a spectrum of opinions in the college community. It is clear to us that college diplomas do not currently provide adequate recognition. It is also clear that there is much need for ongoing work to establish minimum standards across the college system for an Ontario College Diploma.

The Panel also considered whether colleges should be given degree-granting authority. There is a range of views on this issue, even among the colleges. While we are sympathetic to some of the arguments offered in favour of access to degree-granting status, we think it is better at this time to focus attention on strengthening recognition of the college diploma as a distinctive credential. Further review of this matter could be undertaken at a later time.

Recommendation 12

i) **We recommend that an Ontario College Diploma (OCD) be developed as a unique designation, backed by a review process on standards, and allowing for modifications to the credential to recognize particular specializations and accomplishments. The continued development of standards should be treated as an urgent matter. At this time, the OCD should be confined to Ontario's Colleges of Applied Arts and Technology and to programs of these colleges that meet the established**

standards. We would not rule out the possibility that at a future date a private vocational school or career college might satisfy the standards for an OCD and be given authority to use this designation.

ii) We recommend that the awarding of secular degrees should continue to be a responsibility of universities at this time. It should be possible, however, for a college to transform to polytechnic degree-granting status and from there to a university.

Advice on Postsecondary Issues

There are important issues that cannot be addressed adequately by a ministry of education or by associations of universities and colleges. We thus propose establishing an advisory body on postsecondary education. In establishing such a body, measures should be taken to ensure that it not become an innovation-stifling regulatory body, an expensive addendum that consumes funds which should be directed towards the basic work of colleges and universities, or a place for inappropriate political appointments. Indeed, the key to the advisory body's success will be the careful selection of its leadership, which should combine a high degree of credibility, integrity, and expert knowledge. With these words of caution, we nevertheless feel that such an advisory organization could bring substantial benefits.

Recommendation 13

We recommend the establishment of an advisory body to provide sustained, arms-length analysis of postsecondary education to help assure governments, students, private organizations and other groups that critical assessments, independent reviews and advice are an ongoing feature of Ontario's postsecondary system. It should be able to probe more deeply than the Panel has had time to do – and on a continuing basis – issues related to both colleges and universities. The body should be responsible for improving the publicly available information on postsecondary education and research. One of its responsibilities should be a regular report on the comparative strengths and weaknesses of Ontario's system relative to those in other jurisdictions. Another responsibility should be to monitor, assess and report upon the adequacy of quality assurance and accountability processes for both colleges and universities.

Meeting Future Needs

Current demographic projections point to a substantial increase in population, especially in the Greater Toronto Area, in the next ten to fifteen years. While much uncertainty necessarily surrounds the projections of both population and the estimates of likely enrolment levels based on them, we think there will be significant pressures on colleges and universities to increase enrolment, particularly in the GTA. We are encouraged by the flexibility that existing institutions are showing in reorganizing the geographical sites for their programs and in developing innovative joint arrangements between and among colleges and universities. We think that there is still substantial flexibility in using existing physical facilities more intensively and that this flexibility will be further enhanced in the less regulated system we are recommending.

Recommendation 14

We recommend that, in order for colleges and universities to meet expected enrolment increases, the government should encourage institutional initiatives and arrangements for expanding the geographic reach of programs and for using existing physical facilities more intensively, and should not plan at this time the construction of a new college or university.

Appointing and Retaining the Finest Teachers and Researchers

The excellence of universities and colleges depends critically on appointing and retaining the finest teachers and researchers. They tend to be mobile and are attracted to locate in areas where, in the future, they are likely to receive competitive compensation and research support and where they will be able to interact with other top scholars. Ontario should strive to be among the leading areas in North America in this regard. Much needs to be done to ensure this condition.

A particularly important step, in our view, would be a carefully structured program for faculty renewal. It would be based on the idea of a matching fund. This idea was very successfully introduced for student assistance in the spring of 1996 under the title of the Ontario Student Opportunity Trust Fund and with a closing date of March 31, 1997. The government agreed to match private donations for student assistance and has estimated that the matching contribution would likely be about $100 million with a total endowment of twice that figure.

Under our proposal for a faculty renewal matching fund, university governing bodies would be expected to identify areas of particular need for faculty renewal. The matching fund would be directed to special funds or endowments for hiring "the best and the brightest", particularly in the early stage of their careers, and for retaining top senior scholars. For colleges, the identification of specific areas of need for faculty development is also important, and the fund should be available for such areas.

Recommendation 15

We recommend the establishment of a special matching trust fund for faculty renewal. For universities, the program should focus on special funding or endowments for hiring and retaining outstanding junior and senior scholars in areas of strength identified by governing boards. For colleges, the program should support academic development of existing faculty.

Internal processes for recognizing and encouraging performance in teaching and research require close attention. We are concerned about internal regulations and agreements that suppress recognition of performance. It should be a clear responsibility of governing boards, as part of their accountability function, to ensure appropriate processes are in place to recognize performance.

Recommendation 16

We recommend that governing boards of colleges and universities ensure that a high proportion of compensation increases is awarded in recognition of excellence in teaching and, in the case of universities, of research performance, and that, without becoming involved in individual cases, governing boards ensure that appropriate processes are in place to assess and reward performance.

We are aware that special issues arise for colleges on this matter, especially in view of their current centralized system of collective bargaining, but we believe they need greater flexibility at the institutional level in human resource management.

It is often suggested that the banning of tenure in universities would help improve performance, but we believe this step would not likely be helpful. For Ontario to take this step alone would add substantially to the costs of hiring and retaining faculty in Ontario. There are some important aspects of the original rationale for tenure that are still relevant, despite the security provided by developments in administrative law and by agreements on employment practices. The key issue is that there must be in place processes for the careful evaluation of teaching and research performance and for the taking of corrective measures, where needed.

Recommendation 17

We recommend that, with regard to the terms of academic appointments, governing boards must fulfil their responsibility for ensuring that processes are in place for the effective evaluation of performance in teaching and, in the case of universities, in research, and that processes are in place to respond appropriately to the results of such evaluation, including corrective measures where performance is less than satisfactory.

Role for Privately Funded Universities

We have encountered much misunderstanding about various options that are referred to under the frequently misused term "privatization". For example, it is highly unlikely a sufficient endowment could be raised to convert any of Ontario's major universities to a university supported entirely by private funds. Existing universities and colleges are becoming more private in the sense that revenue from fees and other private sources has increased substantially relative to revenue from public sources. The emergence of some programs, such as MBA programs, the costs of which are fully covered without public funds is not in our view to be discouraged, but we think the possibilities for this type of conversion to full-cost funding are limited to a few professional programs.

Many private institutions now offer postsecondary education and training, including a large number of private vocational schools or career colleges and several denominational institutions. Many of the former would like to have degree granting powers. But we think such a step would not be appropriate and suggest that the institutions develop and propose instead standards for distinctive credentials. With respect to the latter - denominational colleges - two have conveyed to us their wish to extend their degree-granting powers from degrees with a theological or religious designation to degrees with titles that secular institutions use. We think their distinctive and important studies should continue to carry theological or religious designations, unless such colleges become part of a university and its governing structures through affiliation. We encourage the Council of Ontario Universities to develop general guidelines for institutional and program affiliation, which will assist potential applicants in their pursuit of such arrangements.

We come, finally, to the case of whether a proposal for a new private university - however meritorious - should ever be approved. We believe that such approval should be possible provided that strict conditions are followed as outlined in the body of our report.

Recommendation 18

We recommend that Ontario's policy precluding the establishment of new, privately-financed universities be amended to permit, under strict conditions, the establishment of privately-financed, not-for-profit universities with the authority to grant degrees with a secular name. Strict conditions and standards must apply to institutional mission and governance structures; institutional and academic quality, as determined by nationally or internationally recognized peer review; financial responsibility; and protection of students in the event of institutional failure. These conditions and standards should be developed by the advisory body on postsecondary education recommended in this report.

The Way Ahead

Where do we go from here? In many areas we have been marking time, and in a fast-moving and highly competitive world, that means we have been slipping back. That is not acceptable for a province with the human and natural wealth and potential of Ontario. This province should be a leader, not a follower, in investing in its future. It has been a leader many times – when it shed discretionary funding in favour of Canada's first formula-driven grants, when John Robarts transformed the high school curriculum and embraced the idea of comprehensive secondary schools, and again when William G. Davis introduced the Colleges of Applied Arts and Technology. These were bold designs, and boldness is what we need once again.

What we do not need is to cast aside the progress we have made and impose a grand new design. We have been well served by our past. We should build on its legacy, rather than tear it down and start again. We must not, however, be prisoners of our past. There is much that is worthy of praise along the road we have travelled, but there is much that needs to change on the way ahead. Boldness tempered by wisdom is needed in charting our future course. Pragmatism, not ideology, will best guide our journey.

There is one value we place above all others. That value is quality. We must not settle for second best. There is little room in the global village for second rate, especially in learning. Ontario should not accept second best in any branch of postsecondary education. It will mean transforming some institutions. It will require both patience and tenacity in moving beyond some institutional customs and agreements which serve more to protect mediocrity than to promote excellence. With such evident strain on our public resources, we cannot afford to invest in mediocrity.

Quality does not attach only to what one does, but has more to do with how it is done. Postsecondary education consists of many things: learning through research into the fundamental questions of humanity and nature; solving practical problems in industry; acquiring specific skills required in the marketplace; training for the ancient and emerging professions; discovering and transmitting the wisdom of the past, confronting the moral dilemmas of the present, and learning to take care for the future. This is not a hierarchy, in which "quality" work is marked by the task undertaken. Quality is marked by how well these things are done, and is every bit as important in practical study as in theoretical pursuits, in teaching as in research.

The servant of quality is specialization, requiring differentiation among our institutions. We cannot expect all to be excellent in everything. We cannot afford to support them as though they were. This is why we do not look for grand designs. Pushing institutions into prescribed boxes is not the route to quality. We believe profoundly that our postsecondary institutions need to have the room to experiment, to abandon what they cannot do well enough, and to concentrate their resources in areas in which they can. We want to free the creative spirit of the best minds within our institutions, not constrain them through central plans and regulatory controls. Equally important for both governmental and institutional leaders is that rewards must go to those who succeed and not to those who fail. We see no good reason to abandon the distinction between college and university. We think this duality captures an important reality in postsecondary education. We observe from our history how easy it is to smother the necessity of practical education in the superficial allure of snobbery masked as abstraction. Institutions will evolve, in the future as in the past, and we would make room for that. But we would also advise against falling victim to institutional gold-plating. We think it is time to set high standards, and to define the conditions most likely to achieve them. After that, others will have to take up the practical challenge of being leaders and learners. One of the conditions for this will be a much stronger willingness on the part of institutions, both across the binary divide, as well as outside the postsecondary sector, to cooperate and collaborate, in joint planning, in credit transfers and in creative partnerships.

Which brings us to the question of accessibility. Who are these differentiated institutions intended to serve? Obviously they serve the whole of society, offering enormous returns on the investment in a highly trained and educated labour force, in research and development, in an informed and responsible citizenry. But there are also secondary benefits, accruing to individuals by virtue of their participation as students and scholars, not to mention their higher incomes and enhanced security of employment. Here, we praise the boldness of the John Robarts' declaration for the 1960s, and we offer the following to guide us into the next millennium: we must provide the opportunity for a high quality learning experience to every Ontarian who is motivated to seek it and who has the ability to pursue it.

Postsecondary education is not a constitutional right. Education cannot be given, nor received on demand. It must be acquired through active learning, and for most it is achieved only by dint of very hard work. We speak, therefore, not of rights but of shared responsibilities - of government, institutions, students, families, and private business.

This is not without financial consequences. Within the framework of shared responsibilities, we think it falls to government to ensure that the public colleges and universities of this province have an adequate and stable base of operating support. This is not now the case. In the current situation, the contribution of students and their parents, through tuition fees, will increase in some circumstances, if we are to escape the slippery slope to mediocrity. We accept this as necessary, but only on the condition that those qualified but in need are not barred from admission.

Private institutions have played an enormously important role in our past, especially those sponsored by religious communities. The days of denominational control of universities have passed, although religious communities continue to play an important role in the delivery of religious, theological and philosophical postsecondary education. However, there is no reason to bar secular participants. We would simply demand that the standards be no less high, and that stable and adequate revenue from endowments must be demonstrated since there is no prospect for government support for such initiatives. The public, through taxation, has made a great investment in its provincial colleges and publicly assisted universities; it has every right to continue to reap the benefits.

Taxpayers have the right to be well served by these institutions, and to remove from them unnecessary barriers to necessary change and adaptation. We propose no attack on conditions required for scholarly inquiry, including academic freedom and institutional autonomy, properly understood. We do, however, find fault with practices that value security over quality and serve to constrain institutional flexibility. We have no interest in denying to employees the right to bargain collectively, but we have grave concerns that the responsibility of governing boards to ensure that our colleges and universities are well managed may not always be given equal recognition.

Finally, we recognize that by placing a premium on deregulation and differentiation, we have created a consequent need to protect both public and private interests. There is a public obligation to secure truth in advertising, to protect students from exploitation, and to monitor and assure the quality of the postsecondary enterprise. It is not enough to establish the conditions for excellence; we must also ensure their continued vitality.

This is the route we offer for the future. It will require tough decisions, bold leadership, and hard work. In return, it promises rewards that have been the inspiration of civilized and prosperous societies throughout history. We have risen to the challenge in the past; we owe nothing less to the future.

Chapter I

Introduction

Mandate of the Panel

In July 1996, the Minister of Education and Training established the Advisory Panel on Future Directions for Postsecondary Education. The Panel was asked to consult with the postsecondary community and the public, and advise on a policy framework for postsecondary education that addresses the following:

- the most appropriate sharing of costs among students, the private sector, and the government, and ways in which this might best be achieved;
- ways to promote and support cooperation between colleges and universities, and between them and the secondary school system in order to meet the changing needs of students; and
- what needs to be done to meet the expected levels of demand for postsecondary education, with reference to existing public institutions and existing or proposed private institutions.

At the same time, the Minister released a discussion paper, *Future Goals for Ontario Colleges and Universities*, to initiate and focus the public consultation.

Consultation Process

The Minister asked the Panel to report to him by December 15, 1996. This timetable necessitated an accelerated approach to consultation and to the development of our advice. Despite the compressed timetable, the Panel was committed to hearing from every college[1] and university[2] in Ontario. To broaden the consultations, college and university presidents were invited to bring a delegation representing various perspectives to the roundtable sessions held across the province. As a result, we were able to engage in discussion with many faculty, staff, students, governors, administrative officers, and people drawn from local communities.

In addition to delegations from publicly-funded institutions, the Panel met with representatives from provincial-level organizations including student associations, staff associations, faculty associations, business and community groups, research and labour organizations, and the general public. Private vocational schools and institutes were also invited to participate in consultation meetings. Because of the importance, size, and diversity of the student constituency, Panel members made special efforts to meet separately with groups of students at various institutions.

We welcomed briefs on any aspect of our mandate, and although we could not meet with everyone who contacted us, all briefs were read carefully. Written submissions were accepted until October 31, 1996.

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[1] Unless otherwise specified, when reference is made in this report to "colleges", we are referring to the 25 colleges of applied arts and technology in Ontario.

[2] Unless otherwise specified, when reference is made in this report to "universities", we are referring to the 17 publicly-funded universities in Ontario, their 25 federated and affiliated universities and colleges, the Ontario College of Art and Design, and Dominican College.

We received important briefs from aboriginal groups, and we applaud and encourage their search for policies that will fit their distinctive needs and ensure appropriate standards. We came to understand more fully the special needs of northern universities and colleges which must provide a reasonably comprehensive set of programs to geographically dispersed students. We appreciate also the needs of Franco-Ontarians for programs that are both widely available in French and of high quality. We believe the issues these groups face merit careful attention, but we felt our time was too limited to develop recommendations in these areas that we could advance with confidence.

While our timetable did not permit us to undertake research on many topics relevant to our mandate, the Panel sought information from recognized experts in a variety of fields related to postsecondary education to assist us in our deliberations. Our interests extended to meeting with people from beyond the postsecondary sector who could bring a broad perspective to public policy issues. We were interested as well in the forces that have shaped the evolution of Ontario's postsecondary institutions. Our colleagues, David M. Cameron and Diana Royce, contributed a Background Paper on the history of postsecondary education in Ontario that provides a valuable context and perspective on the issues of the present. This paper is appended to our report.

Our deliberations were significantly informed by an array of reviews on universities, colleges, or the postsecondary sector as a whole, including *The Learning Society*, the 1972 report of the Commission on Post-Secondary Education in Ontario, led by Douglas Wright; the 1981 *Report of the Committee on the Future Role of Universities in Ontario*, chaired by H.K. Fisher; the 1984 report of the Commission on the Future Development of the Universities of Ontario, chaired by Edmund C. Bovey; the review of the mandate of the colleges, led by Charles E. Pascal, resulting in the 1990 report, *Vision 2000: Quality and Opportunity*; the 1993 report, called *No Dead Ends*, of the Task Force on Advanced Training, chaired by Walter Pitman; and the 1993 report of the Task Force on University Accountability, chaired by William H. Broadhurst. These studies have helped shape the development of government and institutional policies over the past twenty-five years, and in many areas we have been able to build upon their insights.

The number (185) and quality of the briefs the Panel received attest to the widespread interest and concern about the future of postsecondary education in Ontario. We regret that we could not fully incorporate in our report many important arguments and analyses presented in the briefs, but these are public documents and will serve as a rich source of information for government and the postsecondary community. For a complete list of the institutions, groups and individuals with whom the Panel consulted and from whom we received briefs, please refer to Appendix A.

Purposes of Postsecondary Education

In considering the most appropriate way to approach our mandate, the Panel reflected on the purposes of postsecondary education and on whether Ontario's postsecondary sector is structured to fulfil these purposes in the years ahead.

The purposes of postsecondary education can be summarized as follows:

- to help students develop their capacity for critical and creative thinking and expression of ideas and to understand various aspects of the body of knowledge and values concerning the world without and within;
- to provide specialized knowledge and training for professions and vocations and to certify standards in the understanding and use of such knowledge;

- to be a source for the generation of ideas across the spectrum from theoretical and curiosity-driven scholarship and research to the practical applications of knowledge, and to permit a better understanding within one's country of advances on the frontiers of knowledge regardless of where they are occurring in the world;
- to help preserve the body of knowledge and transmit it through students and through direct services to the community.

To fulfil these purposes, a full range of high-quality educational opportunities must be offered, and delivered in a variety of ways. The structure of Ontario's postsecondary sector – with its parallel systems of publicly-funded universities and colleges of applied arts and technology, together with a network of over 300 licensed private vocational institutions and a number of privately-funded religious institutions – has fulfilled these purposes quite well up to now.

This structure has not developed randomly. As the historical overview presented in the appended Background Paper illustrates, government policy has long dictated that public support would be provided to secular universities, operating with full autonomy in academic matters, and developing across vast geographical areas to meet Ontario's requirements for undergraduate and graduate education, for professional studies, and for scholarship and research in social, cultural, scientific, technological, agricultural, industrial, and medical fields.

Technical and vocational education developed along another path, with several different initiatives culminating in the creation of colleges of applied arts and technology in the mid-sixties. The colleges were established as community-based institutions to provide a comprehensive array of career-oriented programs in applied arts, business, technology, and health sciences. While concentrating public support on these colleges and universities, however, the government permitted the operation of privately-funded institutions – including denominational colleges, and private vocational schools and institutes – which generally focus on a limited range of programming.

Throughout the history of postsecondary education in Ontario, the importance of higher education to the development of society and to economic prosperity has been recognized. Today, in the midst of global economic, social and political change, a strong and vibrant postsecondary education sector is more important than ever. In this so-called information age, support for knowledge generation in our society, preparation of knowledge workers for our economy, and support for lifelong learning and innovative research in our institutions are key to our collective future. The Panel is convinced that a strong, vital, and accessible university and college system is essential to Ontario's development and competitiveness.

Excellence, Accessibility, and Responsibility

The Panel believes that the basic structure of Ontario's postsecondary system is sound. There is no need to begin anew, to cast aside the progress Ontario has made, or to impose a new design. There are numerous indicators of the favourable performance of Ontario's colleges and universities, and these are well documented in briefs to the Panel and elsewhere.

However, there are clear signs that the postsecondary system is under pressure. The Panel is convinced that without significant change in the way the sector is evolving and the way it is resourced, its quality and accessibility will be undermined, along with institutional capability to deliver the broad range of programs and the high-calibre research that will be needed in future. We must be careful to preserve existing strengths, but we must also recognize that change is necessary to meet the needs of learners and of society in the twenty-first century.

Three overriding objectives for postsecondary education in Ontario - *excellence, accessibility, and responsibility* - have guided the recommendations in this report.

The foremost goal for government, institutions and students with respect to postsecondary education must be excellence. All else will follow from that. We believe deeply that a high priority must be placed on ensuring that Ontario is outstanding in postsecondary education and associated research activity.

Throughout the Panel's deliberations, we heard from hundreds of individuals and organizations with an abiding interest in postsecondary education and the institutions that offer it. In their presentations and briefs, they expressed often conflicting views about how colleges and universities should adapt to meet the needs of learners and society in the twenty-first century. But they held one view in common: a belief in the crucial role that high-quality postsecondary education and research play in the development of individuals and the economic, social, cultural, and scientific development of the province.

The Panel has sought to explore how excellence in all aspects of postsecondary education can be maintained and enhanced within an environment of constrained public resources. We believe that postsecondary education must evolve in a way which provides a high-quality learning experience to every Ontarian who is motivated to seek it and who has the ability to pursue it.

There are pressures and opportunities on the horizon. Demand for places in postsecondary institutions is projected to grow considerably in the next fifteen years. The restructuring of the secondary school curriculum from a five-year to a four-year program is expected to have consequences for colleges and universities. Increasing numbers of adults seeking to renew their skills as the world of work changes will be looking for flexible learning opportunities in colleges and universities.

To achieve the objective of accessibility, a key consideration is that the financial burden for students and potential students should not be a barrier to access. Another aspect of accessibility is the need for a range of opportunities, a variety of programs, courses and types of institutions, to fit the needs of a variety of learners. This includes the need to ensure lifelong access to the benefits of postsecondary education for an increasingly diverse population of learners and the need to preserve these benefits for the good of society.

We recognize, however, that postsecondary education is not a right that somehow can be conferred upon all who demand it. We argue instead, that all who participate and benefit share responsibility for the cost and quality of education.

We sought to develop a strategy for the future within a framework of the shared responsibilities of government, institutions, students and their families, and private business and industry:

- **Government:** Governments are responsible for establishing a policy framework within which excellence in learning and research can flourish. They are responsible for providing substantial financial resources because education and research have characteristics of a public good that will not draw sufficient funds from private sources, and because governments must help ensure that students with the ability and motivation for higher education are not barred from access to it because they cannot afford it.
- **Colleges and universities:** Colleges and universities - in particular, faculty, staff and members of their governing bodies - are responsible for ensuring that in all aspects of their operations they strive to provide a high quality learning experience. Measures must be in place for assessing

program quality, faculty performance, and institutional performance. Institutions are responsible also for ensuring that they make optimal use of resources and facilities, and are receptive to opportunities for collaboration and cooperation that will benefit learners and employers.

- **Private organizations and individuals:** Private organizations and individuals are responsible for supporting the costs of training and research undertaken for their specific benefit. More generally, the success of higher education depends on the devoted work of individual members of governing and advisory boards, on their advocacy of higher education and research as a priority in our society, and on generous benefactions that support numerous initiatives within the postsecondary community, including research projects, capital projects, and institutional student support programs.
- **Students:** Students are the reason we have postsecondary education. Students are responsible for making the most of the public investment in their education and for contributing to the costs at a level reflective of the personal and economic benefits that postsecondary education confers. They also are responsible for sustained effort to make reasonable progress through their studies.

Strategy for the Future

The strategy we propose for the future of postsecondary education in Ontario is characterized by greater differentiation among institutions; by less regulation accompanied by greater responsibility and accountability of governing bodies; and by public and private commitment to ensure the adequacy of the resources available to institutions and to students who face financial barriers to access.

Differentiation in Strengths

Overall excellence can best be achieved through continuous effort by institutions to develop and maintain the highest quality in their areas of strength and specialization. This requires differentiation among institutions. We cannot expect all institutions to be excellent in everything. We cannot afford to support them as though they were. We believe profoundly that our postsecondary institutions need room to experiment, to abandon what they cannot do as well and concentrate their resources in areas where they can excel. A complementary relationship among institutions, rather than a hierarchical relationship, should emerge.

We see no reason to eliminate the distinctions between colleges and universities; the existing duality captures an important reality in postsecondary education. But the ease with which a student can move between the two systems and draw on the different strengths of various institutions will be a key factor in the delivery of the type of academic and vocational and advanced training programs that students need now and in the future.

Deregulation with Accountability

The question of whether the evolution of the postsecondary sector should be directed by government or undertaken in a decentralized manner is crucial. The Panel believes that excellence, differentiation, and the effective use of resources are best encouraged in a less regulated environment than Ontario now has. Deregulation is a necessary condition for institutional development and adaptation, which will lead to expanded opportunities for learning. This position is practical, not ideological. Universities and colleges perform best in education and research when they have a large measure of autonomy, reinforced through full accountability and responsibility exercised through their governing bodies.

The deregulation of fees with conditions to improve student assistance will allow institutions to set tuition rates that are reflective of the value and quality of their programs and of the economic benefits students derive from education. At the same time, financial barriers to student access must be alleviated, by improved institutional assistance programs and a government student assistance program that allows loan repayment geared to income and provides grants to students who have the highest needs.

Deregulation also involves careful scrutiny of existing regulations and policies – those internal to the institutions as well as those emanating from government – to ensure that rigidities such as those arising from standardized terms and conditions of employment do not interfere with an institution's capacity to be responsive to the needs of students, employers, and society. Institutional policies that present unnecessary barriers to student mobility must also be examined and modified.

Government policies and regulations must be reviewed with an eye to eliminating those that place unnecessary constraints on an institution's ability to develop programs quickly to meet emerging education and training needs, or on their entrepreneurial and partnership activities with the private sector.

Deregulation also necessitates an examination of the policies emanating from the *Degree Granting Act* to determine whether the approach should be altered from that of prohibiting the emergence of private, not-for-profit universities to that of defining the strict conditions under which permission would be appropriate.

Deregulation must be accompanied by clear lines of accountability. Excellence cannot simply be asserted; in a system characterized by freedom to develop institutional strengths, accountability and transparency will be essential to ensuring that students and the public are well served. The role of institutional governing bodies will be crucial, as government, the public, and students seek assurances that institutions are meeting their responsibilities efficiently and effectively while adhering to recognized standards of quality. Institutional leaders as well as government must be willing to ensure that exceptional performance and inadequate performance are not equally supported.

There will be an urgent need for information and reliable data to help institutions, students and their families, employers, and others make informed decisions and choices. Both public and private interests must be protected. There is a public obligation to secure truth in advertising, to protect students from exploitation, and to monitor and ensure the quality of the postsecondary enterprise. It is not enough to establish the conditions for excellence; we must also ensure their continued vitality. Our recommendations include, therefore, that existing institutional and provincial governance structures be reinforced by an advisory body responsible for assisting in drawing together information and analysis on the postsecondary sector as a whole.

Adequacy of Resources

While differentiation and deregulation with improved standards of accountability and quality are crucial in the pursuit of excellence and accessibility, it is clear that the adequacy of the resources available to the system is an overwhelming consideration. We heard from members of the postsecondary community who argued strongly that a financial "disinvestment" in recent years has brought Ontario's colleges and universities to the point where the quality of the learning environment is being weakened.

It is the Panel's belief that the overall level of resources available to publicly-funded colleges and universities must be increased so that quality can be enhanced and the diverse needs of learners met. It falls to all participants to contribute to meeting the costs and to making effective use of the resources available.

The concept of shared responsibilities is integral to the discussion of the adequacy of the financial resources available for ensuring excellence and accessibility. The Panel considered carefully what contribution each of the participants - government, institutions, students and private organizations and individuals - might be expected to make. While not apportioning a set share to each, the Panel nevertheless considered carefully the level of appropriate effort.

Outline of this Report

In the pages that follow, we outline in more detail our proposals for achieving excellence, accessibility, and responsibility in postsecondary education in Ontario. Our strategies of differentiation, deregulation, and adequacy are interwoven into our discussion and recommendations on the overall policy framework needed to achieve these objectives. We have, however, related our discussion to the three major issues of our mandate.

In Chapter II, we discuss the sharing of costs among all participants, and include a brief examination of the level and distribution of public support, including support for research; the ways in which private sector support could be increased; and the policies on tuition and student support required to prevent the erosion of quality and access.

In Chapter III, we explore the roles of postsecondary institutions and the linkages between and among them. Also included is a discussion of ways to enhance college credentials. We then turn to our views on the need for an advisory body to provide information and analysis.

In Chapter IV, we analyse issues related to future demand for postsecondary education, including the capacity of existing institutions to meet demand. We examine ways of preserving excellence through strategies for attracting and retaining the finest teachers and researchers, and for ensuring high standards of performance. We also explore the conditions under which privately-funded not-for-profit universities might emerge in Ontario.

Chapter II

Sharing the Costs

This chapter deals with financial resources for postsecondary education in Ontario. First, we discuss how the financial situation in the postsecondary sector stands today, and how the Panel evaluated the adequacy of resources. We discuss the shared responsibility of all participants to invest in the system. This chapter includes the Panel's conclusions and recommendations on the following:

- the adequacy of total resources available to postsecondary education;
- the appropriate level of government support;
- distribution of government support across the system;
- research funding and policy;
- tuition fees and student assistance;
- private donations and public-private partnerships.

Financial Resources for Postsecondary Education

Ontario would not have the highly-regarded postsecondary system it has today if the Province had not decided many years ago that it was in the public interest to invest in a high-quality, accessible system. As readers of the Background Paper appended to this report will find, the system was not created without a struggle. Nor was it created as a homogeneous whole. The system grew in response to increasing demand for a variety of educational opportunities beyond secondary school – a demand that continues strongly today.

In recent years the level of financial support flowing to postsecondary education has been severely constrained, and in the briefs and presentations made to the Panel, we heard a great deal about the consequences of this. Representatives of the university and college community identified the inadequacy of resources available as one of the most serious challenges they face today. The reduction in resources was likened to a "disinvestment" in postsecondary education in Ontario.

Two themes emerged in the consultations. First, there has been a direct negative impact on the current operation of colleges and universities and their delivery of service. Second, their capacity to prepare adequately for future challenges is being undermined.

The briefs and presentations documented the pressures on institutional operations and services. There have been significant reductions in staff complement, in administrative areas, and in counseling services, libraries, and other areas which directly affect the learning experience of students.

Colleges and universities alike indicated that there have been increases in class size and student/faculty ratios. Colleges in particular have had to close numerous programs, in such a short time that system or regional rationalization has not always been possible. The recent reductions in provincial operating grants and in federal funds for training have resulted in budget and program cuts that have not always been strategic; rather, they often have been governed by the random uptake of early retirement and voluntary exit packages. Perhaps the most obvious indicators of the difficulty institutions have had in absorbing the cuts are the substantial increases in the number and size of operating deficits over the past year.

Many institutions indicated that in managing the fiscal restraint, they have, to varying degrees, "mortgaged their future". The immediate costs of early retirements, voluntary exits and severance packages have been met through deficit financing. These transitional costs will be financed with anticipated income from future years, reducing funds available for learning and research in those years.

Institutions voiced concerns about a looming "brain drain" as high-calibre faculty and candidates are lost to jurisdictions that offer better working conditions and a superior research infrastructure. Ontario's share of federally sponsored research grants has declined in the recent years, a decline influenced by a weakening infrastructure and the loss of key faculty in some disciplines. There is a pressing need for faculty renewal, but this is an expense few institutions can shoulder at present.

Another concern is physical plant. Many maintenance and renewal projects at the colleges and universities have been put off for a long time. Over the last two decades, many institutions have not been renewing their equipment and buildings adequately. Many of the buildings date from the mid-sixties and earlier, and are starting to require major work. In addition, buildings are being used more intensively than originally anticipated because of enrolment increases, putting additional pressure on maintenance.

It is difficult to estimate the cost of the backlog of required maintenance, but it is clear to the Panel there are significant future costs for universities and colleges in the renewal of building and equipment. If work does not proceed soon, there could be severe problems. This should be addressed as a priority issue immediately, before institutions are faced with a massive renovation bill precipitated by deteriorating facilities.

There are pressures for adequate resources from other directions as well. As explored in more detail in Chapter IV, there likely will be a continued increase in demand for postsecondary education in Ontario, particularly in the Greater Toronto Area (GTA) as a result of population increases. The restructuring of the secondary school curriculum to provide for completion in four years has the potential of creating a double cohort of postsecondary entrants for a limited time in the years ahead. In addition, the restructuring of the Ontario economy and labour force that we continue to experience puts a premium on participation in postsecondary education. Over the past decade there have been significant net gains in jobs requiring postsecondary education and even larger net losses in jobs requiring high school graduation or less. Indeed, "[h]igh knowledge industries, though only one-third of total employment, contributed more to job growth than all other industries combined."[3] As the world of work continues to restructure, there will be pressure for higher participation in postsecondary education from both secondary school graduates and adults seeking to renew their skills to function in a knowledge-based economy.

Information technology is a vital component of an institution's infrastructure and it is having a significant effect on the work of colleges and universities. Information technology is being used in colleges and universities to streamline administrative systems and reduce unnecessary duplication of services among institutions; to improve access to learning opportunities by expanding delivery options and to enhance the quality of learning in classrooms and labs; to facilitate communication between and among faculty and students; and to expand access to information resources. Colleges and universities must continue to invest in technology as it will be an important tool in enabling institutions to share resources and to meet the projected demand for postsecondary education in a cost-effective way.

While we have identified considerable pressures on Ontario's colleges and universities, it is difficult to measure directly the level of investment required to ensure that the system is capable of meeting the needs of learners and society. However, the Panel has examined several indicators of the adequacy of the investment in Ontario postsecondary institutions compared to the investment in other parts of Ontario's public sector. As well, we have examined comparators with other jurisdictions in North America. Unfortunately, those that were useful and reliable were university-oriented. We were unable to find reliable interjurisdictional indicators for colleges. We strongly urge government and the college community to direct attention to development and collection of reliable comparative indicators to assist in the evaluation of resources in the colleges.

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[3] Industry Canada, *Science and Technology and the New Century*, 1996, p.3.

Table 1 summarizes a series of comparative indicators of the support available to postsecondary institutions in Ontario.

Table 1 Summary of Comparative Indicators of Adequacy of Resources Available to Ontario Universities and Colleges

Interprovincial Comparisons

	Ontario's Rank in Canada	Level for Ontario	Ontario as a proportion of average of other 9 provinces
Provincial university operating grants per capita by province (1996-97 estimate)[a]	10	$130	68%
Provincial university operating grants per FTE student (1996-97 estimate)[a]	9	$5,511	75%

Comparison with Public Universities in the United States

(Adjusted in Canadian dollars)[1]	Level for Ontario	Average Level of 11 Peer States[2,3]	Average Level of U.S. as whole[3]	Ontario as a proportion of average of 11 states	Ontario as a proportion of average of U.S. as whole
Total revenue per FTE enrolment at Research, Doctoral and Comprehensive Universities (1994-95)[a,b]	$14,637	$20,022	$19,404	73%	75%

Intra-provincial comparisons

Expenditures per Client Served (Adjusted for Inflation)	**Index (1977-78 = 100.0)**
Universities (cost per FTE student, 1994-95)[a,c]	88.6
Colleges of Applied Arts and Technology (cost per FTE student, 1994-95)[a,c]	73.1
Elementary and Secondary Education (cost per pupil, 1994-95)[a,c]	134.7
Hospitals (gross operating costs per diem, 1993-94)[a,c]	183.0
Share of provincial budgetary expenditures on college and university operating grants (1996-97 estimates)[a,c]	61.0

Notes

1. Purchasing Power Parities in Canadian dollars.
2. The 11 states used in the comparisons are California, Florida, Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, Texas, and Wisconsin.
3. Comparisons reflect Ontario's distribution of Research/Doctoral and Comprehensive institutions.

Sources:

a. Council of Ontario Universities.
b. National Data Service for Higher Education.
c. Ministry of Education and Training.

When provincial government operating support for universities is examined, Ontario is at or near the bottom of the rankings of Canadian provinces. Similarly, when total revenues are compared with major jurisdictions in the United States, resources for Ontario's universities lag behind those available to public universities in these states.

Table 1 also shows that the postsecondary sector has been more severely constrained than some other sectors in the Ontario public sector. The share of Provincial budgetary expenditures for college and university operations has declined from 8.1% in 1977-78 to an estimated 4.9% in 1996-97. When spending is calculated on the basis of the number of people served, it is clear that Ontario's colleges and universities have seen long-term declines in real expenditures per student, while other transfer payment recipients such as hospitals and elementary and secondary schools have experienced real growth in expenditures per client served.

All of these factors point to a need to address the adequacy of resources available. The Panel agrees with those who say that it takes decades to build a high-quality, effective postsecondary sector, but that such a system is fragile and can be undermined quickly with devastating consequences for our society and economy.

Ontario's commitment to excellent, publicly-supported postsecondary education must be renewed. The postsecondary system is an essential component of the infrastructure required for Ontario to be competitive in the emerging global knowledge-based economy. The Panel believes that the high quality of the postsecondary system cannot be sustained in the current financial environment. If the system is to meet Ontario's needs in the twenty-first century, Ontario must accept the principle that the total resources available to our colleges and universities must be similar to the total resources available to colleges and universities in other jurisdictions in North America.

Recommendation 1

We recommend that Ontarians undertake to correct the current serious inadequacies in total financial resources available to postsecondary education. This undertaking is a shared responsibility that includes government, postsecondary institutions, students and their families, and the private sector.

Considerations in the Sharing of Costs

The Panel was asked to provide advice on the "most appropriate sharing of costs among students, the private sector, and the government". In addressing this issue, we are mindful of the difficulties of assigning a dollar value to the benefits that individuals and society derive from education, training and research. Statistics pointing to higher employment rates, greater labour force mobility and stability, and higher earnings among college and university graduates compared to those with high school diplomas or less, confirm the value of postsecondary education to students. Moreover, these benefits are but one dimension of the contribution of education to the individual's social, cultural and intellectual development.

The benefits to society of education, training, scholarship, and research are large but are difficult to quantify. University research contributes to the economic, scientific, technological, social and cultural advancement of the province. The economic benefits of education for individuals translate to economic benefits for society as a whole, and the personal development of individuals contributes to societal development.

In our hearings, there were some suggestions that government would do better to fund postsecondary education now than to pay the consequence of social instability and unrest in the future. While this may be an extreme view, there is little doubt that highly skilled workers will be needed to secure the province's place in a highly competitive economy. As noted by the Canadian Federation of Students - Ontario, in their brief to the Panel, "...it makes no economic sense for the government to point out the economy's need for more skilled graduates and advanced research while continuing to make ever greater cuts to funding for those sectors which provide these products and services." (p. 11)

The way the costs of postsecondary education have been shared has changed over time. A pronounced shift between government share and student share has occurred over the last decade as government grants have been constrained and student fees have increased. The increases in tuition over the last three years - specifically a 44% increase in university fees since 1993-94 and a 39% increase in college fees - have resulted in tuition fees of approximately $2,935 for most full-time undergraduate programs in the universities and $1,275 for full-time postsecondary programs in the colleges. While the recent increases have been dramatic, it is only in the last two or three years that the rates have met or exceeded real tuition fee rates experienced by universities in the mid-sixties - the previous post-war peak - and by colleges in the early seventies.

With the recent tuition fee increases, the proportion of institutional operating revenue derived from tuition fees has increased significantly. In 1986-87, tuition fees accounted for 10.5% of total operating grant and tuition fee revenue in colleges, and 18.2% in universities. For 1996-97, it is estimated that these proportions have increased to 24% for colleges and 33% for universities. In 1994-95, the last year for which comparative data are available, Ontario universities derived a higher proportion of total operating income (28.5%) from student fees and a lower proportion of provincial grants (67.8%) than all but one province, Nova Scotia.

We recognize, however, that particularly when examining student and government shares, there is no clear dividing line between the two. Tuition fees do not constitute the total educational costs for students. We were reminded time and again in our consultations that accommodation, transportation, books, equipment and materials, and other associated costs are significant and growing. At the same time, when viewing government support for postsecondary education, we believe it is important to recognize both the support that flows directly to institutions and the support that is provided to students through the Ontario Student Assistance Program (OSAP) to help with their educational costs, including tuition. In 1995-96, about 42% of full-time university students and 56% of full-time college students received OSAP, which provides subsidized loans and a loan forgiveness program.

In comparison with the proportion of revenue derived from provincial operating grants and tuition fees, private sector support accounts for only a small proportion of college and university income. In 1994-95, private sector revenue - primarily from contract training but also from donations - accounted for less than 4% of total college income. In the universities, income from non-government grants and contracts and donations accounted for less than 1% of operating income and just over 9% of total university income.

In the Panel's view, the appropriate share of costs among government, students and their families, and the private sector, should not be approached in the narrow sense of trying to define a specific proportion or target share of income from each of these sources. While each of these participants shares a responsibility for contributing to the costs of postsecondary education, this responsibility should not be defined as specific shares, nor will the shares be static. A variety of factors will independently influence each participant's share. We believe it is more suitable to approach this issue from the perspective of appropriate effort rather than as specified shares of costs.

The Level of Government Support

A number of factors have influenced the government's support of colleges and universities in recent years. Most notably, the state of government finances and the economy has led to severe financial constraints in the public sector generally. This has been coupled with a changing philosophy about the role of the public sector and government. In Ontario and through much of western society, the role and size of the public sector is being reduced.

The Panel is certainly aware of the financial pressures on the public purse. But even as postsecondary education seems to be losing place in public policy priorities, particularly funding priorities, the increased demand for postsecondary education has put additional pressures on dwindling resources and will continue to do so. Over the next fifteen years, as demographic and labour market pressures increase, there will be further pressure to provide adequate student assistance and core support for college and university operations.

We recognize the limits of comparative data in demonstrating the exact amount that the government should provide in operating support. But it is evident that government grants per student in Ontario are lower than per-student support provided in most other jurisdictions. These and other indicators strongly reinforce the need for the province to renew its financial commitment to postsecondary education, for the sake of Ontario's future prosperity, competitiveness and well-being. We recognize that a multi-year commitment to the restoration of support will be needed.

Recommendation 2

We recommend that provincial government support of universities and colleges in Ontario be comparable to the average for other Canadian provinces and be reasonably in line with government support of major public university and college systems in the United States. This goal should be achieved by arresting reductions in government grants now and by building towards this goal over several years in ways that strengthen excellence and accessibility.

The Distribution of Government Funding

In the course of the Panel's consultations, there was considerable discussion by colleges and universities about how government funding should be allocated in the future. Much of this discussion stemmed from concerns about the present allocation systems, particularly in the colleges. Colleges are asking for fundamental change in the college funding formula. The current system was suitable in an era of rapid growth and the evolution of a young college system. As the colleges have matured, however, it has become clear that quality and quantity considerations must be balanced. Colleges argue convincingly that the current funding formula severely skews institutional behavior towards quantity over quality.

The current enrolment-driven formula has created unproductive competition among colleges for students, forcing institutions into a "seats in the chairs" mentality in determining program offerings and enrolment levels. The formula provides a fiscal disincentive for colleges to move to more flexible approaches to education in which students could fast-track their studies. Over the past six years, the value of the per-student grant (expressed as full-time equivalent and weighted by program of study) has declined significantly as institutions have tried to maintain or increase their share of grants and respond to the actions of other institutions. In addition, the method of counting part-time students for funding purposes discounts these enrolments, providing a disincentive for part-time programming.

Universities were concerned with introducing more flexibility for program rationalization without loss of income. They voiced longstanding concerns about the equity among institutions of the current allocation method, and the need for greater recognition of the overhead costs of sponsored research. Of these considerations, a particularly strong case was made to adjust the existing university corridor funding mechanism to aid their restructuring efforts.

Both colleges and universities cited aspects of their funding formulas as inhibiting, or at least not facilitating, joint college-university programming. Problems cited include differences in enrolment counting, differences in the treatment of fees, and the lack of incentive for introducing new joint programs under the university corridor system.

After reviewing the arguments, the Panel has concluded that there is a compelling case for the use of a corridor funding allocation mechanism for both colleges and universities. We believe that the core formula for both systems should be based on the same concept and provide a base of stability and certainty to assist institutions in coping with changing circumstances. The central feature of each should be a corridor funding mechanism which buffers institutional operating grant income from enrolment changes. Within a specified band of enrolment (a corridor) institutions receive a fixed share of grants (or in the case of universities, grants and fees). We believe that the corridor funding mechanisms for both colleges and universities should permit short-term flexibility for closing or reorganizing programs by allowing enrolments to drop temporarily below the corridor without a reduction in operating grants.

In the Panel's discussions with university officials, it became clear that the corridor mechanism has allowed universities to undertake meaningful multi-year planning and budgeting and make important academic decisions on the basis of the impact on program quality. For the colleges, a corridor system would assist in managing change in a planned and fiscally prudent manner, giving them the fiscal flexibility to make major changes and reductions in program offerings. In a less regulated environment, it will be extremely important for institutions to have this planning capability.

The Panel has not had time to work through all the details required to implement a corridor funding mechanism for colleges. We recognize that a number of issues will need to be addressed. Enrolment counting procedures must be examined to determine whether instructional hours should be replaced with factors more responsive to student needs and outcomes-based education. The calculation of part-time enrolment for funding purposes should be revised to eliminate the penalty associated with joint college and university programs.

It will be important to minimize any disruptive impact of introducing a new system, either through the careful determination of the initial share of grants associated with new enrolment corridors or through transitional funding arrangements.

Finally, there is a longer-term issue that should be recognized. Enrolments are projected to increase substantially, especially in the Greater Toronto Area, over the next ten to fifteen years. Ontario's universities and colleges have expressed confidence that they can absorb the projected enrolment increases. In addition, the tuition fee policy we recommend later in this report will strengthen incentives to respond to enrolment pressures. However, in light of the impact a major increase in students would have on the corridor system, the situation should be monitored regularly in the years ahead.

Recommendation 3

We recommend that the major features of the corridor system for distributing the government's core operating grants to universities be maintained with minor modifications to enhance flexibility.

Recommendation 4

We recommend that the method of distributing the government's core operating grants to colleges change to a form of corridor funding, reflective of circumstances faced by colleges, with attention to other issues such as the appropriate relationship of support for part-time and full-time students.

Research Funding and Policy

Our deliberations and recommendations with respect to the allocation of government funds generally focus on issues pertaining to both colleges and universities, but we believe strongly in the need to address one issue that is of overwhelming concern to universities - support for research. University scholarship and research make a major contribution to society. As noted by Gilles G. Cloutier in his 1995 report on university research to Alberta's Minister of Advanced Education and Career Development,

> The advancement and well-being of our society depends heavily on new information that research provides regarding all aspects of daily life and work. Knowledge about medical care, communications technology, agricultural methods and environmental issues are examples that come immediately to mind. And it is practical and socially appropriate to have such knowledge and "know-how" developed at a university, where it can be made available to scholars and others who can benefit from it.[4]

University research contributes greatly to our economic competitiveness and to the pace of technological, scientific, and medical advancement. While the value of university research and scholarship is generally acknowledged, government funding of university research, and particularly of the indirect costs of research, has been inadequate.

In a study conducted this year for the Council of Ontario Universities on provincial research policies in Canada, it was found that the number one problem for the research competitiveness of Ontario universities is difficulty in supporting and maintaining their research infrastructure, both intellectual and material.[5] Part of the problem stems from the longstanding policy of the three federal granting councils - the Natural Sciences and Engineering Research Council (NSERC), the Social Sciences and Humanities Research Council (SSHRC), and the Medical Research Council (MRC) - and other funders, to support the direct costs of peer-adjudicated research only. There is no recognition of the related indirect costs of maintaining libraries, equipment, and facilities, and the costs of principal investigators.

The provincial government provides funds through the Research Overheads/Infrastructure Envelope in recognition of the need to support these costs, and allocates the funds among the universities on the basis of each institution's average share, over a three-year period, of the peer-review research funding awarded by the three federal granting councils. The size of envelope, however - set at about $23 million for the current year - does not relate to the full indirect cost of research being conducted, and the shortfall has contributed to a deteriorating infrastructure. In turn, the lack of a strong research infrastructure has weakened the ability of universities to attract and retain top researchers and scholars.

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[4] Gilles G. Cloutier, *University Research in Alberta: A Policy Framework*, 1995, p. 5.

[5] Mireille Brochu, *Comparative Study of University Research Policies in Selected Canadian Provinces*. Report prepared for the Council of Ontario Universities, September 1996, p.14.

The consequence has been a disturbing reduction in Ontario universities' share of the total funds awarded to Canadian universities by the federal government. In the first half of the 1980s, Ontario universities garnered about 42% of the total funding; in the first half of the 1990s this dropped to about 36%. The Panel believes that in order to improve the competitive edge of Ontario's universities in peer-adjudicated research, the Research Overheads/Infrastructure Envelope should be increased to approximately $100 million annually.

Increasing the Infrastructure Envelope will help restore Ontario's research competitiveness, but there are other issues that should be addressed as well. Recent reductions in research support to universities by several provincial government ministries have also weakened the research enterprise of the universities. Provincial funds for research are provided through the Ontario Ministry of Agriculture, Food and Rural Affairs, the Ministry of Economic Development, Trade and Tourism, the Ministry of Health, the Ministry of Environment and Energy, as well as the Ministry of Education and Training. Changes are made in policies and levels of support without any apparent coordination among ministries and with no discernible policy framework to guide them. Emerging centres of specialization within the colleges, particularly in relation to advanced training programs, also may be affected.

Our recommendations with respect to research, outlined below, include the recommendation that a provincial policy on research be developed. This policy should encompass the Province's strategy to promote research and development by the private sector, universities, and government ministries. The policy should specifically address university research issues such as the funding provided to universities by provincial ministries for applied research, the role of universities in basic and applied research, and the importance of strengthening industry collaboration with universities and colleges in research and development activities.

We also urge the Province to consider a policy of focusing more of its limited resources on promoting excellence, including excellence in research, through directing funds to envelopes such as the Research Overheads/Infrastructure Envelope that are distributed on the basis of measures of quality.

Recommendation 5

i) **We recommend that the Government of Ontario increase the size of the Research Overheads/Infrastructure Envelope from its current level of about $23 million to about $100 million annually.**

ii) **We recommend that Ontario develop a research policy. This development is urgent in view of the growing concerns about Ontario's competitive position on research. The policy should cover both basic and applied research and should encompass research in both the public and private sectors.**

Tuition Fees and Student Assistance

Tuition fee policy has a far-reaching impact on students and institutions. We found that we could not discuss tuition fees, and the impact of increasing the portion of institutional revenue from tuition fees, in isolation from considerations of student accessibility and affordability. Our discussion and recommendations with respect to tuition fees and student assistance are, therefore, integrated.

In Canada, there is general, although not universal, acceptance of the principle that postsecondary education cannot and should not be supported entirely by the public purse: students should contribute to the costs in recognition of the personal benefits they derive from postsecondary education. Tuition policy in Ontario derives from this principle, and from the premise that tuition fee levels should not serve as a barrier to access.

Universities in Ontario have the autonomy to set tuition fees, but since the introduction of formula funding in the mid-sixties the provincial government has controlled fees by linking formula fee revenue with the allocation of operating grants. Revenue from tuition fees set above the formula rates would result in reductions in operating grants. In 1980, the province allowed universities to charge an additional 10% above the formula fee, with no effect on eligibility for operating grants, then increased the discretionary portion to 13% in 1987, and again in 1996 to 23%. Attached to the most recent increase was the requirement that 10% of incremental discretionary tuition fee revenue was to be targeted to institutional financial assistance for needy students. For the colleges, the Province sets standard tuition fees applicable to all postsecondary programs. For both systems, the Province determines the allowable annual increase in fees.

The increases in tuition fees in recent years have pushed rates at Ontario universities above the average for other provinces in Canada. With Ontario's current average rate of $2,935 for most undergraduate programs, only institutions in Saskatchewan and Nova Scotia charge higher tuition fees for domestic students in general arts and science programs. Ontario college fees, at $1,275, are still lower than those charged by colleges in several other provinces, namely, Alberta, British Columbia, Prince Edward Island and Saskatchewan. Ontario tuition fees for both colleges and universities are below average levels in public institutions in the United States as a whole and in most of the eleven comparator states referred to in Table 1.[6]

The government provides needs-based student financial assistance as a means of promoting access for students from lower-income backgrounds. In the assessment of need under OSAP, full tuition costs are used in determining a student's eligibility for assistance, so increases in tuition have an impact on the government's expenditures for financial assistance. It is estimated that under the current student assistance program, as a result of provisions for interest coverage during a student's period of study, loan forgiveness, and loan defaults, it costs the government between 25 cents and 30 cents for every one-dollar increase in tuition fees.

While government has controlled tuition fees in the interests of access, there has been no further rationale established for the level at which fees have been set, and in particular there has been no determination of the appropriate share of the costs of their education which students should bear. The universities in particular have long argued that control of tuition fees is not the appropriate way to promote equity of access. They believe this policy has kept tuition in many programs – particularly professional programs – artificially low.

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[6] *Chronicle of Higher Education, Almanac Edition*, September 2, 1996, p 10.

There are many ways to approach the problem of determining the "appropriate share" that students should contribute to the costs of education, and the related issue of the appropriate level of tuition fees:

- *Tuition fees could represent a certain percentage of program costs:* This approach is difficult to adopt because institutions often do not track program costs with a precision necessary for a fully transparent application of this method. It is difficult to separate program delivery costs from all the related costs that accrue in the operation of the institution and in the provision of academic and other services necessary for a well-rounded educational experience.

  Another difficulty with this approach is that in Ontario, there has been support of the notion that all programs should have relatively similar tuition fees so that student choice is influenced more by interest and aptitude than by cost. This is particularly the case in the colleges where provincial policy has dictated that the same fee be charged for all postsecondary programs. In the universities, there has been a slight differential in fees for broad categories of programs, in recognition of differing costs, but these differentials do not translate into a fixed percentage of program costs. It is recognized that if tuition were to represent a fixed percentage of costs in all programs, tuition in some university programs in particular would be prohibitive.
- *Tuition fees could represent a certain percentage of institutional operating costs:* This is a more accessible figure, but helps only in determining the amount of revenue an institution ideally might derive from tuition fees. It does not help in determining fair tuition costs on a program-by-program basis.
- *Tuition fees could be directly linked to the economic benefits that students derive from their education, resulting in fees that are relatively higher in those programs for which labour market demand is strong or whose graduates can anticipate greater job security and relatively higher incomes:* This approach relies heavily on the accuracy of predictions related to future labour market needs and future incomes. To a certain extent, this approach also presumes that calculations of rates of return on a student's investment in postsecondary education will assist in determining an appropriate tuition fee level. But return on investment calculations are more useful in demonstrating that students should be willing to invest in postsecondary education, than in determining the exact amount of that investment.

None of these approaches provides the ideal solution, but elements of all of them are appropriate considerations in setting fee levels.

The Panel believes it would be more helpful to develop an approach that is characterized by institutional flexibility to determine fees, program by program, based on analysis of the value of programs in a competitive market, and of the revenue that is needed to provide a high-quality learning experience for students. We also urge colleges and universities to develop reliable program costing techniques to aid in these decisions.

We agree with those institutions that argue that the flexibility to determine tuition fees would encourage innovation and responsiveness, facilitate collaboration and cooperation between and among universities and colleges, support program differentiation as well as institutional differentiation and specialization, and assist institutions in expanding system capacity to meet increased demand. As well, institutional discretion to determine fees would increase incentives to curb costs and may result in lower fees in some programs than would otherwise be the case.

We are proposing institutional flexibility in determining tuition fees. We are not proposing unconditional deregulation. There will be an obligation on institutions to provide greater financial support to students out of additional fee income. Specifically, we propose that the government establish an upper limit on the level of fees it would recognize in the OSAP assessment of need. If colleges and universities choose to set fees above that level, they would be required to allocate a substantial portion of the incremental revenue to provide assistance to needy students.

In the interests of ensuring that public funds for financial assistance are allocated in an equitable, effective manner, the upper limit on fees in the needs assessment would be a universal amount, applicable to students from the publicly-funded colleges and universities, private vocational schools and other private institutions, and Ontario students attending institutions in other jurisdictions.

The Panel believes that this approach establishes a healthy balance between the need to help ensure accessibility for students from all economic and social backgrounds and the need to allow institutions to set their fees at a level that will help promote excellence. Institutions should, however, further demonstrate their commitment to accessibility by employing a variety of methods to ensure that students are not unduly disadvantaged by sharp increases in fees. Such measures as exempting current students so that annual tuition increases are limited to the rate of inflation, or guaranteeing a certain level of fees for the duration of a student's program, should be considered.

In developing this approach to the deregulation of tuition fees, the Panel wrestled with the use of formula fees in the current funding formula for universities, and the link between fee revenue and the distribution of operating grants among universities. We considered recommending the removal of fees from the funding formula, but felt that this would undermine the elements of stability inherent in the existing formula and cause unnecessary upheaval. Instead the Panel believes that formula fee rates should be frozen at current levels. As tuition fees increase over time, a decreasing share of tuition fee income will be "pooled" and redistributed through the operating grants formula.

Compulsory ancillary fees

The treatment of compulsory ancillary fees is an important consideration in an environment of "conditional deregulation" of tuition fees. Compulsory ancillary fees are a considerable cost to students, averaging almost $300 in the colleges and over $400 in the universities in 1996-97. Government has regulated these fees as well, first through prohibiting, in the 1980s, the introduction of further tuition-related ancillary fees, and more recently by requiring that colleges and universities negotiate protocols with student governments covering the means by which student input will be obtained when new or increased compulsory ancillary fees are introduced.

Despite this control, many of the existing ancillary fees can be viewed as an alternative form of tuition and should be incorporated into the tuition fee. This would provide more certainty to students insofar as tuition would represent the full amount of fees they are expected to pay.

The Panel recognizes, however, that this treatment of compulsory ancillary fees may not be appropriate for those fees initiated by student governments or introduced through referenda for special purposes. We also recognize that this change may require a full examination of the types of goods and services that are covered by ancillary fees so as to fully understand the impact and proper disposition of all fees. Nevertheless, we believe that incorporating ancillary fees into tuition fees is an appropriate step, and we make our recommendations with respect to tuition fees and ancillary fees accordingly.

Recommendation 6

i) We recommend that an institution should be free to set tuition fees at whatever level it regards as appropriate, program by program, on condition that if an institution chooses to set fees above the government-specified upper limit defined in (ii), it must distribute 30% of the incremental revenue as financial assistance to its students, based on need.

ii) We recommend that the government set an upper limit on fees used to calculate the amount of government-provided student assistance for which a student would be eligible. There should be a single limit used for all institutions, both publicly- and privately-funded, participating in the public student assistance program.

iii) We recommend that, with respect to compulsory ancillary fees, those initiated by student governments should continue to be determined by current processes, but all other ancillary fees should be incorporated in the overall tuition fee.

iv) We recommend that, along with greater freedom in setting fees, institutions should be sensitive to the need to protect students from substantial, unanticipated increases in tuition fees for programs in which they are currently enrolled. Institutions are encouraged to set tuition fees on the basis of programs of study – rather than on the basis of courses or terms – wherever this can reasonably be done. Moreover, institutions should make special efforts to allocate their financial assistance funds in a way that does not preclude a student, with the motivation and ability, from pursuing courses or programs with higher fees.

Enhanced student support

Our recommendations with respect to tuition fees include a measure that we believe will have a significant impact on accessibility in Ontario, namely, the requirement that publicly-funded colleges and universities set aside 30% of tuition fee income above the new OSAP-determined rate for the purposes of institutional financial assistance programs for needy students. We believe, however, that much more must be done to enhance the student assistance programs and ensure affordability of postsecondary education for the citizens of this province.

Throughout our consultations, we noted the anxiety of students and others about steadily increasing debt loads, some likely beyond the student's capacity to ever repay; and many of which will cause extreme difficulty under the current fixed-term loan repayment arrangements. A variety of factors has contributed to mounting debt loads, including tuition rate increases, the conversion of Ontario's "grant first" program to a forgiveness program on loan amounts exceeding $6,000 per year of study, and a weak economy that has resulted in fewer summer jobs for students and less support from parents. Student leaders from Ryerson Polytechnic University provided us with information on the impact of recent reductions in welfare payments on various groups, including single parents seeking to finance postsecondary education.

The Panel believes that thoughtful and effective reform of student support policy should focus more of the Province's support on academically-qualified students who would otherwise be unable to pay for their own education, whether through their own resources, their parents' resources, or their own earnings before and after graduation. The Province must move quickly to convert its existing student loan program to an income contingent loan repayment program (ICLRP). Ideally, both the Canada Student Loans Plan (CSLP) and the Ontario Student Loans Plan should convert to income contingent plans, and in the most cost-effective manner – with the chartered banks remaining as lenders and students making payments to the banks, and with the income tax system used to confirm incomes and annual repayments. If the province is unable to convince the federal government to

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adopt this approach, Ontario should move forward on its own, but negotiate a favourable arrangement for withdrawal and compensation from the CSLP to offer an integrated ICLRP plan.

In keeping with the principle that provincial funds for student assistance should emphasize need, the Panel favours retaining the current policies on needs assessment, including a determination of the ability of the parents or spouse to contribute. The interest on the loan should be subsidized until the student's program is completed or after a fixed number of years or terms of study, whichever comes first. Most importantly, the current loan forgiveness program, which creates uncertainty for students about their total debt, should be replaced by a grant program directed toward students with highest need. To ensure equitable allocation of provincial funds for grants, only students at publicly-assisted colleges and universities should be eligible.

The principles of a needs-based program would remain in effect during the period of loan repayment as well, with provisions for loan forgiveness for those whose incomes after graduation make it impossible for them to repay in full. Students should have the option of a lengthy repayment period, with the portion of income directed to repayment at a rate that does not preclude them from qualifying for a home mortgage and other necessary loans. Options for repayment should include provision to repay at a faster rate or in full without penalty.

While an improved provincial assistance program will go a long away toward enhancing equity of access for postsecondary students, another key element to improved access will be institutional student assistance programs. We applaud the provincial government's current initiative, the Ontario Student Opportunity Trust Funds, which will provide an estimated $100 million this year in matching grants for donations from individuals and corporations, to fund institutional awards to students who might otherwise be unable to pursue postsecondary education.

Our recommendation that a portion of incremental revenue from tuition fees be directed toward financial assistance for needy students will also significantly enhance institutional student assistance programs. Institutions themselves increasingly will be responsible for ensuring access of lower-income students to high-cost programs. In the United States, there is a growing expectation that institutions will make up much of the shortfall in funds for needy students. In a presentation to the House Economic and Educational Opportunities Committee, the president of Ohio State University noted the tripling of spending on institutional financial assistance programs between 1979 and 1986, and again between 1986 and the present, resulting in current spending of $9 billion. This figure "exceeds the amount spent on student aid programs by state governments."[7]

Another factor in enhancing accessibility in Ontario will be to establish an environment that encourages family contributions toward postsecondary education. There is a growing public awareness of the costs of postsecondary education, and a growing tendency on the part of parents and students to view education as a sound investment. But much more could be done to inform parents and encourage savings, particularly through more advantageous tax provisions. Our recommendations below contain several specific examples of desirable incentives, and we strongly urge the provincial government to pursue these with the federal government.

As a final comment with respect to student assistance, the Panel notes the rising cost to government of providing student assistance, including the costs of loan defaults, and the extremely high default rates at some institutions. While not wanting to jeopardize student access to specific institutions, the Panel believes it would be worthwhile to examine the reasons for defaults and to introduce disincentives to high rates of default. Rescinding the institution's designation for financial assistance would be the most extreme measure. Most importantly, government should explore ways of ensuring

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[7] E. Gordon Gee, *Testimony on College Prices*. Presented to the Postsecondary Education, Training and Life-long Learning Subcommittee of the House Economic and Educational Opportunities Committee, July 18, 1996.

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that institutions have effective measures in place to reduce defaults, including adequate financial counselling services for students so that they are aware of the future implications of current borrowing.

Reducing defaults would free up a considerable portion of the funds budgeted by the government for student assistance. The provincial funds freed up in this way must be kept within the province's financial assistance allocation, and directed toward enhancing the financial assistance program, through annual increases in loan and grant maximums and other enhancements to promote student access.

Recommendation 7

i) We recommend that the government introduce an income-contingent loan repayment plan (ICLRP) that would have a number of features helpful to students, including:
   - postponement of interest payments until after the student's program of study is completed or after a fixed number of years (whichever comes first); and
   - several options for the student to choose from regarding the repayment schedule, including an option to repay faster at any time without penalty.

ii) We recommend that the income-contingent loan repayment plan be delivered as a joint federal-provincial student assistance plan, administered through the tax system, but that, if the federal government is not prepared to cooperate with Ontario in this task, the provincial government should take whatever steps are necessary to implement an ICLRP on its own. In the latter case, we would urge the federal government to provide appropriate assistance and support to this effort, including administering the tax aspects of the plan under the Federal-Provincial Tax Collection Agreements and, if necessary, providing full compensation to Ontario to allow it to withdraw from the Canada Student Loans Plan and offer an integrated ICLRP option to Ontario students.

iii) We recommend that, in place of the current approach on loan forgiveness under OSAP which creates uncertainties for students, a program of needs-based grants be introduced. Grants would be provided only to students in publicly-assisted colleges and universities.

iv) We recommend that the Ministry investigate the causes for high rates of default on student loans. It should explore the use of penalties that would make postsecondary institutions with unusually high rates of default more responsible for the loss, but that would not weaken access to postsecondary education.

v) We recommend that interest on money borrowed to pursue eligible postsecondary education programs should be deductible from income in calculating income tax. It is a clear principle of income taxation that interest paid on money borrowed to earn income should be tax deductible, and taking out a loan to make an investment in education is analogous to taking out a loan to make a business investment. This measure should be implemented by the Government of Canada, and we urge the Government of Ontario to indicate to the federal government that it supports such a change and is prepared to forego the provincial tax revenue involved.

vi) We recommend that the Registered Education Savings Plans (RESP) be brought closer to Registered Retirement Savings Plans (RRSP) in order to encourage saving for postsecondary education. In particular, we urge that the federal government provide the same tax deductibility for RESP contributions that is available for RRSP contributions, and that it be possible to effect one-time transfers from RRSPs to RESPs within the total RESP limits. It should be possible to roll the accumulated investment income in RESPs that is not used for postsecondary education into a RRSP. The Government of Ontario should urge the Government of Canada to implement such a change soon. If the federal government is not prepared to proceed with this change, the provincial government should provide at least a partial tax credit for RESP contributions, and the federal government should administer such a credit for the province.

Private Sector Support for Postsecondary Education

Private sector support comes in many forms, including student fees and through the operation of privately-funded postsecondary institutions. In this section, however, we focus on private sector support provided through philanthropy, partnerships and the purchase of training services.

Factors related to international competitiveness, innovation and technology transfer suggest there are opportunities for expansion of support from the private sector. In view of the high average incomes of the "baby boom" generation, many of whom have reaped the rewards of postsecondary education, this is an excellent time for postsecondary institutions to make the case for increased support from individuals. The potential for support from the corporate sector is also encouraging, with observers commenting on the "growing awareness within the corporate community that philanthropic giving is important because it is, quite simply, an investment in society."[8]

We think there is a potential for increased private sector support. At the same time, we recognize that the opportunities for private sector cost-sharing remain relatively modest in scale when compared to the overall revenue requirements of the postsecondary sector. Many briefs submitted to the Panel from colleges, universities and business confirm this point. For example, in a letter to the Panel, the Board of Trade of Metropolitan Toronto stated that the private sector "cannot be relied upon to make up the difference in funding as subsidies are decreased." For universities, in 1994-95 a 16% increase in donations would have been required to offset a reduction of 1% in total provincial government grants, while for the colleges, where donations account for only about 0.2% of total operating revenue, an increase of 230% in donations would have been required.

Thus, neither an increase in private philanthropy nor increased business support through partnerships is likely to offer a single or significant solution to the current resource pressures in colleges and universities. This is especially noteworthy in light of the current variation among institutions and between colleges and universities in levels of private sector support. During our consultations, some institutions made the case that their geography, their relatively short history, their program specialities, and their special client markets (e.g. Franco-Ontarians) may limit their potential to benefit from either philanthropy or private sector partnerships.

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[8] David Sharpe. *Preparing for a Changing World: Demographics, Psychographics and The Canadian Charitable Non-Profit Sector*. The Canadian Centre for Philanthropy, 1991, p. 17.

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The advantages of relationships between the private sector and postsecondary institutions are not limited to immediate resource enhancement. These relationships open the door for interaction that will promote greater mutual understanding of the strengths, interests and priorities of each sector. This, in turn, can lead to even more opportunities to share experiences and resources in a manner that is satisfactory to all partners. As Ryerson Polytechnic University observed in its brief to the Panel:

> . . . many representatives from business and industry serve on university advisory committees, engage in fund raising, and take on major responsibilities of university governance. . . . A dollar value cannot be placed on this form of contribution, but it does, nevertheless, constitute a sharing which deserves recognition . . . (p.6)

Colleges have typically not obtained much support through private donations. This stems in part from their relative youth and from the fact that they were created as government agencies. The recent decision by the Ministry of Education and Training to rescind policies that limited college fund-raising efforts reinforces our sense that these institutions have moved to a new stage in their interaction with the private sector.

Ontario's universities have made considerable efforts to expand private sector sources of revenue. According to information provided by the Council of Ontario Universities, revenues in the form of gifts, donations, contracts and grants from the private sector have tripled in value between 1983-84 and 1994-95. These funds, valued at more than $425 million in 1994-95,[9] still represent a relatively small proportion of the total resources available to universities and are frequently designated for prescribed purposes.

The Panel understands the context in which colleges and universities must work to expand these sources of revenue. The principle that shapes the existing relationships among postsecondary institutions and the private sector was reinforced throughout the Panel's hearings, namely, that postsecondary institutions have the primary responsibility for decisions about opportunities for engagement with the private sector, whether the relationship is based on philanthropy or partnership.

The Ontario Confederation of University Faculty Associations, in their brief to the Panel, cautioned, "as we invite the private sector to assume a greater share of the cost of post-secondary education within the province, we must be careful that we do not compromise university autonomy in the process." (p.10) At issue is the capacity to protect the overall integrity and relevance of academic pursuits while maintaining an openness to the perspectives and needs of business and industry.

For a number of reasons, donations and gifts continue to be substantially lower in Ontario and Canada than in the United States. As was illustrated in an examination of this phenomenon completed in 1984 for the Commission on Future Development of the Universities of Ontario, part of the difference lies in the political and cultural traditions of our countries: "No one, it appears, gives like the Americans."[10] While we accept the differences between Canada and the United States in our current traditions affecting philanthropy, we must also acknowledge and address a key difference in tax practices.

Many American charitable organizations have an enormous competitive advantage over their Canadian counterparts due to preferential tax treatment given by the United States to capital gains associated with charitable gifts. This issue has been raised by a number of Canadian charitable organizations - including Ontario universities - in discussion with the federal government. They have argued that significant incremental increases in charitable giving can be achieved without a major reduction in government tax revenues by a change in the tax treatment of gifts of appreciated capital property.[11] In this respect, government can play a role in advancing the capacity of institutions to benefit from private sector donations and improving the relative position of Canadian institutions in competing for charitable gifts.

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[9] Council of Ontario Universities, *The Financial Position of Ontario Universities - 1996*, Toronto, October, 1996, p. 15.

[10] Richard M. Bird & Meyer W. Bucovetsky, *Private Support for Universities*, 1984, p. 19.

Recommendation 8

We recommend that donations of assets be exempt from the capital gains tax. This change would benefit all charitable organizations.

Businesses and other organizations have many specific training needs that colleges and, to a lesser extent, universities, can supply. It is clear that employees comprise a large and growing market of life-long learners that offer the potential for Ontario's postsecondary institutions to expand their base of private sector support. Studies by the training division of the Ministry of Education and Training suggest that while Ontario's workers are among the best educated in the world, maintaining this position of strength will depend on Ontario's ability to maintain a good supply of highly-educated, skilled and flexible workers. Since most of the workers who will make up the labour force for the next twenty years are already in the labour market, achieving this goal will depend to an important degree on activities to upgrade and renew the skills of adults and experienced workers. Ontario's role in this regard has been increased with Ottawa's withdrawal from the field and a shift of responsibilities to the provinces.

Colleges and universities will need to be increasingly flexible and responsive in order to serve both private and public sector training markets. Failure to compete effectively in this area will mean that an important opportunity to serve Ontario's private sector and, in turn, develop new revenue sources and working partnerships, will be lost.

The government needs to be supportive of this objective, and should not create obstacles or disincentives to the generation of revenues through the sale of specialized education and training services to the private sector. Institutions should be encouraged to proceed, provided that these services are offered at full cost-recovery and they do not detract from the institutions' overall postsecondary education mandate, including the institutions' guidelines for preserving their integrity in such partnerships. Examples of current public policies which should be re-examined to support increased sales of training services by Ontario colleges include removal of the current geographic catchment areas and greater flexibility in the existing policies and procedures governing commercial services and subsidiary corporations.

At the same time, Ontario colleges and universities should ensure that they have positioned themselves as compelling, competitive candidates to provide required continuing education, upgrading and retraining services. The challenge will be to ensure institutional planning and operations that offer quality learning that is flexible in timing and delivery, relevant and cost-effective. Those aspects of the colleges' centralized collective bargaining process that inhibit institutional flexibility must be addressed.

The Panel believes that public policies should encourage and facilitate further expansion of private partnerships. Colleges and universities working with the private sector are establishing a wide range of educational and research opportunities.

The prospects for increased revenue for Ontario's postsecondary institutions in international markets were emphasized in numerous briefs and presentations to the Panel. A vital component to success in this area was also highlighted for us: the need for coordination with government as it develops and implements its strategic plans for advancing Ontario's economic position in the international marketplace.

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[11] Donald K. Johnson, Revised Submission to House of Commons Standing Committee on Finance, October 29, 1996.

Recommendation 9

We recommend that colleges explore more actively private and international training programs and that the provincial government's coordinating and regulatory role be supportive. The terms of centralized collective agreements in the colleges should take into account the need for flexibility to develop these programs. More broadly, there are growing opportunities for partnerships with private institutions on education and research programs. It is the responsibility of all colleges and universities to have guidelines that preserve the integrity of their institutions in such partnerships.

Chapter III

Roles and Linkages

This chapter discusses the distinctive and complementary roles of universities and colleges in postsecondary education, and the importance of linkages between the two sectors. It affirms the existing system of autonomous institutions directed by their own governing boards, and proposes an advisory body on postsecondary education to provide information and analysis and to monitor and advise government on the effectiveness of accountability measures and quality assurance processes.

The Distinctive Roles of Ontario's Colleges and Universities

Ontario's colleges and universities operate in parallel as two distinct types of postsecondary institutions, each targeted towards different goals. Their roles are different, but complementary.

Universities work in an environment that is national and international in scope. Their role is to contribute to the betterment of society by developing an educated populace, providing training for professions, providing study at the highest intellectual level, creating knowledge through scholarship and research, and providing service to the community. Their overall contribution to society is intended to focus less on the immediate needs of the workplace or the economy and more on developing the capacity for individuals to acquire basic critical skills and knowledge while also advancing their abilities to think clearly, to wonder and to explore. At the same time, they provide an environment where students and faculty can share and discuss each other's work critically in the interest of advancing knowledge both here in Ontario and throughout the globe.

Colleges of applied arts and technology were established to meet the learning needs of Ontarians who choose not to attend universities and, in particular, to offer career-oriented programs and services. The mandate of the colleges has evolved since their inception so that, today, they are institutions offering a full-range of remedial, postsecondary and advanced training activities geared to support immediate application in the labour market and to promote a lifelong learning philosophy. In many instances, their outlook has moved beyond a local community focus to serve provincial, national and international education and training needs.

Together colleges and universities contribute substantially to the economic, social and cultural foundations of our society. The Panel found during its consultations that, within each of these two postsecondary sectors, there has emerged a striking range of differentiation. Each institution has developed according to its unique strengths and evolving perception of mission, differing from others within its sector according to academic disciplines and specialties, program mix, student population and external relationships. This variety has resulted in a wide range of academic programs from which Ontario students can choose. It has contributed to innovative research centres and high-calibre networks of scholars covering a full spectrum of disciplines and professions. It offers Ontario's citizens a rich array of resources to help them realize their social and economic goals.

It is through the continued emergence of differing strengths among colleges and universities that the multiple purposes of postsecondary education can best be attained. Given the potential for continued differentiation and the proven value of the distinct mandates of each category of institution, the Panel believes that the basic idea of parallel systems of colleges and universities is still sound and necessary. We believe strongly that governing bodies must provide the leadership to ensure that unique institutional teaching and research strengths are promoted. An emphasis on differentiation combined with a commitment to excellence will provide efficient and effective use of scarce financial resources. It will also provide the wide variety of programs necessary to meet the myriad theoretical and applied needs of our increasingly knowledge-based society.

Since the creation of the colleges in 1965, their mandate and missions have developed within a fairly elaborate regulatory and policy framework administered by the Ministry of Education and Training or its predecessors. The time has come to review the government policies, guidelines and regulations affecting the operation of colleges to ensure that they have sufficient flexibility to continue the development of their individual mandates. This review should include an examination of the regulations that define the geographic catchment area for each institution. These geographic assignments do not affect student admission practices directly, but they do restrain college promotions and marketing to individuals and corporations. The Panel believes that the general application of prescribed regions of service may create inappropriate limits on the overall scope of a college's services. The Panel believes that colleges should continue with their commitments to the education and training needs of local communities, but there is no longer a need for government-defined catchment areas. Geographic responsibilities should not be disincentives for the promotion of a college's unique resources.

Recommendation 10

We recommend that government-defined catchment areas for colleges be abandoned. At the same time, colleges must continue to fulfill their obligations for education and training of their local or linguistic communities.

Increasing Institutional Linkages

The increased demand from both secondary school graduates and adults for access to a wide range of postsecondary education services suggests that collaboration between colleges and universities will be one important way of broadening the opportunities available to Ontarians. There should be no unnecessary barriers to students wishing to transfer between universities and colleges.

Although few formal mechanisms were put in place to facilitate cooperation between the two sectors at the time the colleges were established, some college-university linkages did develop on an *ad hoc* basis. In the early 1990s, however, college-university cooperation received increased attention as a result of the *Vision 2000* report and the follow-up study, *No Dead Ends, the Report of the Task Force on Advanced Training*. These reports called for expanded and improved college-university linkages and for greater ease in the transferability of postsecondary credits in response to the demand for programs which combine theory with practical application. The heightened awareness generated by these reports contributed to a significant increase in the number of credit transfer agreements, and other forms of joint college-university programs. In 1988, there were only 27 program specific arrangements, some involving linkages with institutions in the United States. There has been a notable increase in the number of these arrangements since that time, and they continue to encompass partnerships of Ontario postsecondary institutions with those inside and outside of the province, including some in the United States.

The Panel is encouraged by the degree of activity in recent years in developing linkages among colleges and universities. We anticipate that further innovation in the development of joint programming will be achieved through the efforts of the recently established College-University Consortium Council (CUCC) and we endorse its aims. The CUCC is administering a $1 million fund to provide seed money for the planning, coordination and development of joint academic studies, such as advanced standing arrangements in related fields of study; custom degree-completion programs for college graduates at universities; joint program offerings by colleges and universities; and diploma-completion arrangements for university students or graduates. These demonstration projects are intended to serve as case studies to develop partnership models. At the end of the CUCC's term in March 1998, it plans to prepare a report recommending model policies and ways to further institutional partnerships.

During our consultations, Ontario colleges and universities expressed their support for increased college-university linkages. There were, however, different views on how to proceed. In its brief to the Panel, the Council of Ontario Universities' Committee on Relations Between the Universities and Colleges of Applied Arts and Technology endorsed the CUCC as "...the appropriate 'formal vehicle' to explore college-university relations at the provincial level." (p. 12)

Many of the colleges, however, urged the government to play a more direct role in setting standards for credit transfer. The Panel was advised that further development of linkages will depend on resolving impediments to the development of college-university programs. Obstacles that were identified included the differences in the current funding distribution formula for colleges and universities; the different student fees and admission requirements; and the different approval processes for college and university programs. We believe that some of these issues will be addressed by implementation of our recommendations on student fees and distribution of provincial grants, which allow for greater parallels in government policies affecting colleges and universities.

Cooperative activity of colleges and universities has also come to include arrangements to share facilities and resources. Canadore College and Nipissing College (now Nipissing University) set a precedent in 1972 by entering into a partnership to establish the Education Centre that houses both institutions. More recently, Seneca College and York University have entered into an agreement to build a Seneca@York campus where joint programs will be offered. Mohawk College and McMaster University have entered into a partnership to build an institute for applied health sciences and to offer integrated health-related programs. Increasingly, and often with the benefit of technology, institutions are looking at collaborative ways to share the costs of administrative services. For example, a consortium of colleges is working to improve student, human resource and financial information systems. Wilfrid Laurier University, the University of Guelph and the University of Waterloo have agreed to integrate their library collections and services, sharing the purchase of an automated library system to facilitate access to information resources on all campuses.

The Panel's view is that inter-institutional collaboration across, as well as within, the two postsecondary sectors is essential. The benefits include the opportunity for administrative cost-savings and, perhaps more importantly, the prospect of new and better services for students, faculty and staff. As an example, integration of the Ontario College Application Service and the Ontario University Application Centre should be explored for potential savings and improved service. Integration of the two facilities could improve the application process for joint and integrated college-university programs and simplify the gathering of data using a unique student identifier number. It could dovetail with opportunities to link the administration of government-sponsored student assistance with the application process. It may remove the need to maintain and upgrade several information systems, each holding sets of related student data. On a regional basis, institutions should also explore opportunities to cooperate on other administrative services where reduced duplication of effort could achieve savings or improve services.

There are undoubtedly further opportunities for cooperation among colleges and universities, whether in the area of academic programming or administrative services. We believe that the CUCC is an appropriate forum to advance progress in academic programming and transfer arrangements. However, progress in evolving greater institutional linkages should be monitored and stimulated. We propose that this role be taken up by a new advisory body which we are proposing later in this report.

Recommendation 11

We recommend that the arrangements for credit transfer and cooperative college-university programming, as well as for shared services and facilities, should develop further with government encouragement rather than with government direction. The advisory body we propose in this report should be responsible for stimulating and monitoring the evolving linkages.

Secondary School Linkages

During the consultation process we heard concerns, particularly from colleges, about the level of academic readiness of secondary school graduates. Submissions to the Panel indicated that the knowledge and skill levels of significant numbers of high school graduates are insufficient for successful entry into postsecondary studies. Consequently, these students and their postsecondary institutions must invest considerable effort and resources in remedial programs. Continued development of cooperation between secondary school authorities and postsecondary institutions, together with improvements to Ontario's secondary school curriculum, could reduce the need for these remedial programs.

We are pleased that one of the goals of the Ministry of Education and Training's secondary school reform initiative is improvement of the capabilities of secondary school graduates. The Ministry's goal of clarifying paths towards college study in the secondary school curriculum will also help address some of the colleges' concerns about preparation levels of high school graduates. We believe that those responsible for secondary school curriculum development must incorporate advice from colleges, universities and employers on an ongoing basis. Similarly, colleges and universities have a responsibility to be clear about their expectations for secondary school curriculum and to contribute to the current consultation process for secondary school reform.

College Credentials

During the consultations, the Panel heard many requests for measures to improve the clarity of mandate between colleges and universities and to allow the colleges to differentiate their diploma programs from those available from private vocational schools and career colleges. Part of the colleges' concern was that "diploma" is a widely-used credential in Ontario which has no single standard. As a result, in the competitive world of vocational education, students and employers are left to make their own judgments about the relative calibre and quality of diploma programs.

A number of Ontario colleges asked that their established programs be recognized with a unique credential that would signal to students and employers the distinct level and nature of the Ontario college curriculum. The designation of a unique credential would strengthen the currency of the education provided by colleges and reinforce their recognition in the provincial, national and international marketplace. The colleges have an almost thirty-year record of postsecondary programs; they are developing increasing specialization in programming; and they have recently made a commitment to establish system-wide standards for their two- and three-year diploma programs, incorporating general education and generic skills requirements.

A strong standards and accreditation process is a necessary companion to a distinct college credential. Such a process ensures the maintenance and enhancement of the quality of college programs and gives continued clarity and credibility to graduates' credentials. These quality assurance measures will also encourage the continued development of joint programming involving colleges and universities. The College Standards and Accreditation Council (CSAC), initiated in 1993 by the Province, provided an important beginning in this area. While progress continues on program standard-setting since its functions were merged with the Ministry of Education and Training earlier this year, it must be accelerated.

The appropriate credentials for recognizing completion of college studies is a difficult issue which gives rise to a range of opinions in the college community. It is clear to us that college diplomas do not currently provide adequate recognition. It is also clear that there is an urgent need to continue the work of developing and implementing province-wide college program standards. To distinguish the Ontario college diploma from credentials given by private vocational schools or career colleges, and to recognize the unique standard it represents, we make the following recommendation:

Recommendation 12

i) We recommend that an Ontario College Diploma (OCD) be developed as a unique designation, backed by a review process on standards, and allowing for modifications to the credential to recognize particular specializations and accomplishments. The continued development of standards should be treated as an urgent matter. At this time, the OCD should be confined to Ontario's Colleges of Applied Arts and Technology and to programs of these colleges that meet the established standards. We would not rule out the possibility that at a future date a private vocational school or career college might satisfy the standards for an OCD and be given authority to use this designation.

During our consultations, there were frequent suggestions that colleges be given access to degree-granting authority. At the same time, however, we became aware that the colleges themselves are not of a single mind on this matter. Some, such as Centennial College, struck a middle ground in their submission to the Panel:

> The notion of general degree-granting authority for college programs deserves to be treated with caution and requires more study. It could seriously undermine the value and currency of college diploma and certificate programs. As the colleges develop niches of expertise which will combine theoretical and applied knowledge in ways which are important to specific sectors of our economy, it may be important in the future to grant these programs special recognition possibly through polytechnic or applied degrees. (p. i)

Representatives of the university community who chose to comment on this matter during the consultation process did not favour the introduction of independent degree-granting authority for colleges.

The matter is further complicated by the absence of a province-wide quality review process at the university undergraduate degree level. At this time, there is no common mechanism that could be used to assess program quality standards for undergraduate degree designation. In the future, some capacity to do so should evolve from a new process being implemented by the Council of Ontario Universities (COU) through its recently approved Undergraduate Program Review Audits process. Through COU, audits will be conducted of each university's processes for reviewing the quality of undergraduate programs.

While we are sympathetic to some of the arguments offered in favour of access to degree-granting status for colleges, at this time we think it is better to focus our attention on strengthening the recognition of the college diploma and, thereby, signalling its distinctive importance. In taking this approach, however, we do not wish to rule out the possible transformation of a college to polytechnic and then to university status, along the lines of the experience of Ryerson Polytechnic University. Further review of this area should be part of the mandate of the advisory body discussed below.

Recommendation 12

ii) We recommend that the awarding of secular degrees should continue to be a responsibility of universities at this time. It should be possible, however, for a college to transform to polytechnic degree-granting status and from there to a university.

Advice on Postsecondary Issues

Much has been done in the past number of years to clarify the governance and accountability structures and frameworks for universities and colleges. The work of the Task Force on University Accountability (1993), the academic quality reviews of the Ontario Council on University Affairs (1993), the review of college governance by the Ontario Council of Regents (1993-94), Vision 2000 (1990), the Colleges Collective Bargaining Commission (1988), and Walter Pitman's review of college governance (1986) are some of the key contributing efforts in this area. In view of the extensive examination of governance and accountability issues represented by these endeavours, we have not tried to probe these areas further.

We believe that postsecondary education in Ontario should be provided through the existing network of autonomous institutions directed by individual governing boards. At the same time, we believe there is an increasing need to have public policy address the postsecondary sector as a whole rather than as two separate university and college sectors. In the relatively deregulated environment that we propose, postsecondary institutions will have the independence and flexibility to be more responsive to learner needs and research opportunities. However, the Panel wishes to ensure that one agent is responsible for objective assessment of the overall picture for postsecondary education.

A pan-postsecondary view is needed which allows distinctions between colleges and universities to remain while offering greater policy coherence in areas such as access, student mobility, student support, responsiveness to employer needs, diversity of educational opportunities, quality of programs, and effective management of provincial resources. To achieve this objective, we favour a Ministry that has high levels of expertise in addressing postsecondary education issues and assisting government in its setting of public policy goals for postsecondary education. However, as one of those with direct responsibility for the overall achievement of the goals for Ontario's postsecondary education sector, the Ministry is not well-positioned to serve as an objective commentator on the sector's comparative position, successes and areas for improvement. Thus, we recommend an ongoing monitoring and assessment role be supported through the establishment of an advisory body operating at arms-length from government.

The Panel believes that the mandate of the advisory body should be focussed on two major roles:

- facilitation of province-wide information collection and comparative analysis to assist students, employers, government and institutions in decision-making affecting postsecondary education; and,
- monitoring and advising government on the effectiveness of postsecondary education accountability measures and of quality assurance processes.

Building from its work in these two areas, the body should report regularly and publicly on its findings about postsecondary education in Ontario, advising the Minister of Education and Training on changes needed to public policies.

In establishing such a body, measures should be taken to ensure that it not become an innovation-stifling regulatory body, an expensive addendum that consumes funds which should be directed towards the basic work of colleges and universities, or a place for inappropriate political appointments. Indeed, the key to the advisory body's success will be the careful selection of its leadership, which should combine a high degree of credibility, integrity, and expert knowledge.

The advisory body's leadership in province-wide information collection and comparative analysis of Ontario's postsecondary system will be of great importance. Decisions made by institutions and the government will need to be based on solid data and analysis about system-wide developments to ensure the effective management of postsecondary education resources. Currently, there are significant gaps in information and statistics for both sectors, but particularly the college sector. Learners, employers, potential partners and sponsors are also looking for objective information.

Calls for openness and clarity in accountability relationships may also be satisfied with more publicly available information. This view was reinforced during our consultations through suggestions, such as the one offered by the Ontario Community College Student Parliamentary Association in its brief, that a central body be created "to co-ordinate the collection, storage, dissemination, and analysis of information for colleges and universities." (p. 2) The effectiveness of the advisory body's information collection and analysis functions will depend upon the support and involvement of experts and representatives from colleges and universities. In these times of limited resources, it will depend as well on the effective use of existing information resources so that unnecessary duplication of effort can be avoided.

The advisory body should also serve as an external monitoring agency to provide the government and the public with assurance concerning the clarity of accountability measures and the effectiveness of self-monitoring processes. With greater differentiation among institutions and programs, as well as a broader distribution of cost-sharing for postsecondary education, it will be important to know that accountability measures that address the overall integrity and viability of public institutions are well-developed and fully implemented. Similarly, while institutions have primary responsibility for quality assurance, it is important for consumer protection, public accountability and inter-institutional cooperation that there be mechanisms to audit the operation and effectiveness of processes used by institutions to assess and improve the quality of programs.

The advisory body's approach to monitoring accountability and quality assurance procedures should be based on the vigilant monitoring of institutional self-regulation. It should be mandated to conduct regular examinations of accountability frameworks developed locally by each college and university, including those processes developed to assess the quality of academic programs. It should also audit the development and implementation of province-wide processes, such as those used to set college program standards, the appraisal processes of the Ontario Council on Graduate Studies, and the undergraduate program review audit process currently under development by the Council of Ontario Universities. The advisory body would report publicly on its findings and make recommendations for improvement.

The advisory body's responsibilities would include advice to government on matters affecting the establishment of degree-granting authority and university designation for privately-funded institutions. This responsibility would build from its experience in monitoring quality assurance processes in the publicly-funded colleges and universities. Additionally, the body's mandate would incorporate responsibilities for monitoring and stimulating linkages among colleges and universities. Some interesting suggestions in this area were raised during our consultations and deserve fuller examination than was possible within the time given for the Panel's work. To cite one example, interest was expressed in some communities and among some postsecondary institutions for the establishment of regional learning consortia. These networks of collaboration would promote increased local co-ordination and planning of education resources so as to better serve the full range of learning needs in the area. While recognizing that this approach is not an appropriate development for all communities, we think that the advisory agency should explore this concept further.

Recommendation 13

We recommend the establishment of an advisory body to provide sustained, arms-length analysis of postsecondary education to help assure governments, students, private organizations and other groups that critical assessments, independent reviews and advice are an ongoing feature of Ontario's postsecondary system. It should be able to probe more deeply than the Panel has had time to do – and on a continuing basis – issues related to both colleges and universities. The body should be responsible for improving the publicly available information on postsecondary education and research. One of its responsibilities should be a regular report on the comparative strengths and weaknesses of Ontario's system relative to those in other jurisdictions. Another responsibility should be to monitor, assess and report upon the adequacy of quality assurance and accountability processes for both colleges and universities.

Chapter IV

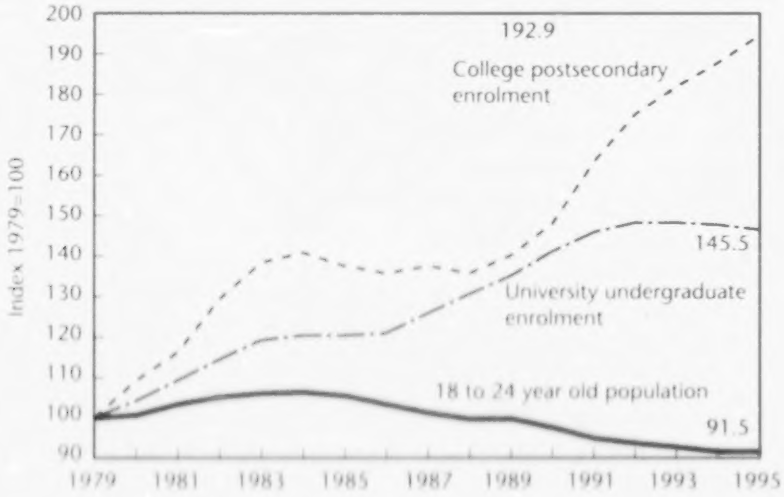
Meeting Future Needs

In this chapter, the Panel examines projections of future enrolment in postsecondary education, and the capacity of existing institutions to respond to anticipated demand. It makes suggestions for enhancing faculty renewal in universities and colleges, and reinforces the responsibilities of institutional governing boards to ensure that appropriate processes are in place to identify and evaluate performance. Finally, it considers the strict conditions under which approval might be given for new, secular, privately funded universities.

Demand for Postsecondary Education

Historically, colleges and universities have demonstrated their ability to accommodate increased enrolment demand in an environment of constraint. Over the past ten years, the demand for postsecondary education has increased significantly. In universities, the number of full-time students increased by 17%, and full-time college enrolment increased by 47%. A significant proportion of the enrolment increase at universities was from secondary school graduates; at the college level, a higher proportion of students entered from other sources. Part-time enrolment grew less rapidly, with levels tapering off in both sectors in the past few years. Figure 1 illustrates the trends in enrolments at colleges and universities compared to the number of Ontarians aged 18 to 24 years old.

Figure 1: Ontario Population 18-24 and Full-time University Undergraduate and College Postsecondary Enrolment, Expressed as Indices, 1979 to 1995



Source: Statistics Canada and Ministry of Education and Training

In the last decade, the general population of 18-24 year-olds, from which most full-time postsecondary education students are drawn, declined by 13%. But more young people are studying at college or university. In 1995-96, full-time postsecondary enrolment in colleges and full-time undergraduate enrolment in universities as a proportion of the 18-24 age group was 32% compared to 22% in 1986-87.

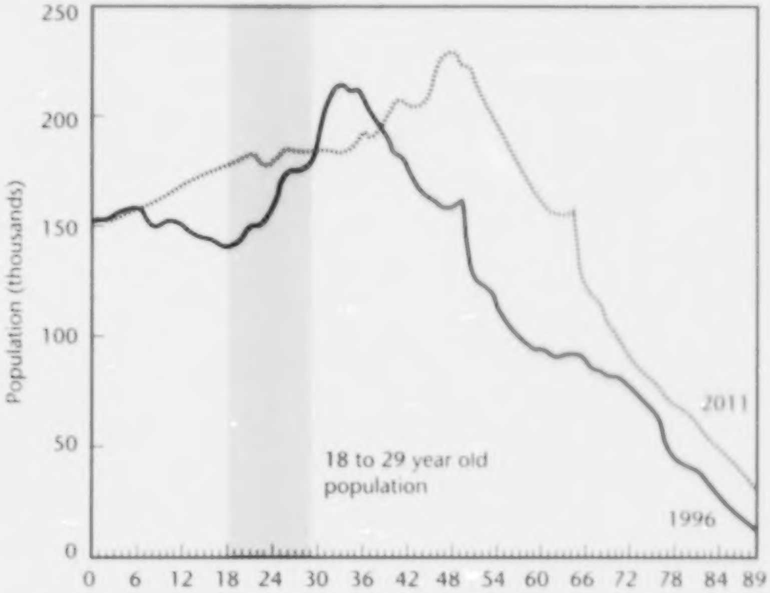
In relation to postsecondary participation rates in other countries, Ontario compares favourably. The participation rates of Canadians in postsecondary education are similar to rates in the United States, and are among the highest in the world.[12] When participation rates in other Canadian provinces or American states are examined, Ontario's participation appears to be in line with the average, with several jurisdictions having higher participation in postsecondary education.

Demographic Projections

Ontario's population is growing. While long-term population projections must always be treated with some caution, the Ministry of Finance suggests that by 2011, the current population of 11.3 million is projected to increase, through natural growth and immigration, by about 22% to 13.8 million.[13] The 18-24 age group is projected to increase by about 20% in the next fifteen years. The population of 25-45 year olds is not expected to grow in the next decade and will then start declining as the baby boomers become older. The 45-plus age group is projected to grow substantially throughout this period.

Figure 2 shows the evolution in the age profile of Ontario's population. The highlighted area shows the prime age group for both full-time and part-time postsecondary students. As the graph indicates, the increase resulting from the baby boom "echo" (the children of the baby boomers) will happen gradually over the next 15 years.

Figure 2: Ontario Population Age Profile Projections – 1996, 2011



Source: Statistics Canada, Postcensal Estimates, 1991; and Ontario Ministry of Finance, County Population Projections, 1992-2011

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[12] Organization for Economic Cooperation and Development, *Education at a Glance*, 1995.

[13] Ontario Ministry of Finance population projections for the province and regionally.

Ontario's population growth is projected to differ by region over the next fifteen years, and nowhere is it projected to grow faster than in the outer ring of the Greater Toronto Area (GTA) – the horseshoe area surrounding Metropolitan Toronto. The GTA is expected to absorb about 1.2 million of the projected 2.5 million in population growth in the province over the next 15 years. The 18-24 age group in the GTA is projected to increase by 29%, the rest of the province by only 15%.

The Committee on University Planning and Analysis of the Council of Ontario Universities predicts that, at current rates of participation, full-time first-year intake from secondary school into Ontario universities will increase by about 27% by the year 2010. They project that if current patterns of enrolment persist, universities within the GTA will experience a 35% increase in intake demand, while those outside the GTA will experience a 23% increase.[14] Comparable projections were not undertaken for the colleges. There are many circumstances that may change those projections over the next 15 years, but it is worth noting that, in the past, such projections have tended to underestimate demand pressures.

Potential influences on participation

These population projections suggest that colleges and universities could experience a significant increase in demand strictly as a result of population growth. There may also be pressure, however, from increases in participation rates. Labour market data strongly indicate that economic returns to postsecondary education are high. As the University of Western Ontario outlined in its brief to the Panel:

> All recent net job creation in Ontario has focused on post-secondary graduates. From March, 1988 to March 1996, employment in Ontario increased by 390,000; employment for those with university degrees or post-secondary certificates and diplomas **increased** by 1 million, while employment for all others **fell** by 610,000. (p. 4)

University and college graduates have lower rates of unemployment, higher rates of labour market participation and higher incomes than individuals with less education. Indeed, the employment outlook of those without a postsecondary credential is becoming increasingly bleak and a postsecondary credential is becoming a *de facto* minimum requirement for satisfactory employment. It is also anticipated that higher-level skills derived from postsecondary education will be in higher demand as the job mix in our growing knowledge-intensive labour market continues in this direction.

An important one-time-only potential impact on postsecondary enrolments comes from secondary school reform proposals to reduce secondary school to four years, leaving the possibility of a "double cohort" enrolling in universities around the year 2002. Consultations are now being conducted on secondary school reform proposals, following which the government will finalize its plans in the winter of 1997. It is unclear at this time how significant the proposals might be for university enrolment. Moreover, secondary school reform proposals are likely to include measures to increase retention and completion rates for secondary school students. These measures could, in turn, have an impact on the demand for postsecondary education.

As the restructuring of Ontario's economy continues, it is expected that demand for both full-time and part-time study will increase, as people of all ages pursue learning to acquire knowledge and skills to remain competitive in the workplace. College and university part-time registrations have been declining since 1993. The reasons for the decline are not clear. During the consultations, many of the colleges indicated that the current funding mechanism acts as a disincentive to develop and deliver programs in more flexible ways in part because part-time activity is funded at a lower rate than full-time activity. We also heard from several university student organizations who suggested that the decline in university part-time enrolments may be attributed to a number of factors, including rising tuition fees and inadequate financial assistance for part-time students, the limited number of course offerings, inconvenient scheduling of courses, and limited ways in which courses are delivered. These themes were reinforced in a recent survey[15] of Canadian workers.

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[14] Council on University Planning and Analysis, *Information and Data Assembled and Collected for the Panel*, November, 1996.

Difficult as predictions of enrolment demand have proven to be, we nevertheless believe the factors just discussed point to potentially significant growth in demand for postsecondary education over the next fifteen years.

Institutional Capacity to Meet Demand

A high level of confidence was expressed by existing institutions that, given proper funding, the construction of new colleges and universities is not necessary to meet the anticipated levels of demand. Indeed, existing institutions have demonstrated a significant ability to meet increasing demand for postsecondary education.

During the consultations, colleges and universities described a number of new approaches to increase capacity and respond to various learning needs. We are encouraged by the flexibility that existing institutions are showing in reorganizing the geographical sites for their programs and in developing innovative joint arrangements between and among colleges and universities. For example, the Durham Alliance for Training and Education provides university programming in a region where no university exists through a partnership between Durham College and Trent, Ryerson and York.

We also think that there is still substantial flexibility in using existing physical facilities more intensively. As stated in Centennial College's brief,

> All institutions must more seriously examine the physical plant and the way they do business to see how capacity can be increased as much as possible through increased utilization before expansion is considered. There are periods of time when the physical plants are not fully utilized because of traditional patterns of programming. (p. 2)

At the university level, the Council on University Planning and Analysis estimates that more than 55% of the projected increase in university demand can be accommodated by institutions increasing first-year intake to recent peak levels. It concludes that the existing universities can absorb the enrolment increases, with a cautionary note: "maintaining accessibility will not be a factor, providing sufficient funding is provided by government to permit institutions to accept levels of intake that they accommodated before the recent cutbacks".

Given the magnitude of the potential demand, the Panel believes that a balance will have to be struck between additional resources required and institutions finding new ways and means to ensure access in a more flexible, cost-effective and responsive manner. We recognize that innovations such as open learning activities can play a useful role in meeting future demand.

Recommendation 14

We recommend that, in order for colleges and universities to meet expected enrolment increases, the government should encourage institutional initiatives and arrangements for expanding the geographic reach of programs and for using existing physical facilities more intensively, and should not plan at this time the construction of a new college or university.

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[15] Ekos Research Associates Inc. *Survey of the Labour Force on Life Long Learning, Training and Employment Issues, 1994-95*

Other responses to demand

The Panel believes that Ontario colleges and universities must be highly responsive not just to enrolments – the numbers of students – but to the variety of needs those students have. Institutions should explore both traditional and innovative approaches to the provision of postsecondary education to find a blend that responds to their students' needs.

Throughout our consultations, we heard that colleges and universities are endeavouring to be more open and accessible to learners by offering prior learning assessment (PLA) and using a variety of instructional methods, including technologically-enhanced instruction and self-paced learning. As a result, students are increasingly able to study at any time, at any pace and in any place, and to reduce the time required to complete a program of study. Prior learning assessment, for example, uses challenge exams or portfolio assessment to enable students to avoid repeating areas of study they have already mastered and to concentrate on new learning. PLA is already in place in the college sector and is being actively explored in parts of the university sector.

Information technology is also being used to foster inter-institutional delivery of courses that might not ordinarily be offered due to class size or availability of faculty. For example, University of Guelph, McMaster University and the University of Waterloo share highly sophisticated interactive technology-based classrooms to deliver courses in several locations simultaneously.

We believe information technology can be a powerful tool to enhance teaching and expand learning opportunities, if used appropriately. Colleges and universities must continue to invest in information technology as it will enable institutions to share resources and to meet the projected demand for postsecondary education. We recognize that there are substantial costs involved in the acquisition and maintenance of information technology, as well as the development or adaptation of curriculum. We believe collaborative institutional arrangements and partnerships with the private sector can offer cost-effective ways to acquire the technology and to develop or adapt curriculum. We encourage colleges and universities to pursue these arrangements.

Appointing and Retaining the Finest Teachers and Researchers

The excellence of universities and colleges is critically dependent on appointing and retaining the finest teachers and researchers. Top faculty tend to be mobile and are attracted to institutions where they are likely to receive competitive compensation and strong research support, and where they are able to interact with top scholars and students. For Ontario to attract and retain the finest teachers and researchers, Ontario institutions must be competitive with institutions in other jurisdictions in North America.

There is deep concern in the Ontario university community about the danger of becoming uncompetitive. In a climate of inadequate resources for teaching and research, Ontario may lose the best teachers and researchers to other provinces, the United States and other countries. Problems are already beginning to emerge with respect to active scholars leaving Ontario universities and difficulty in attracting first-rate junior and senior scholars to Ontario institutions. In a survey of Ontario universities by the Council on University Planning and Analysis, the reasons cited for this loss of competitiveness included working conditions (heavy teaching and administrative loads), inadequate support for research and, to a lesser extent, uncompetitive salaries.

The Panel shares the concerns expressed by universities about Ontario's competitiveness in attracting and retaining the finest teachers and researchers in the current climate of constraint. However, given the different roles and functions of universities and colleges envisioned for postsecondary education in Ontario, the Panel believes that some institutions, or specific parts of institutions, will need to be more active in the market for international scholars than others.

One way to target the attraction and retention of outstanding teachers and researchers is to establish special funding or endowments to support these individuals. Such funds will ensure that there is an ongoing stream of resources in place for supporting their work. A program of matching grants similar in nature to the Ontario Student Opportunity Trust Fund provides an approach that emphasizes the shared responsibility among the institutions, private sector organizations or individuals, and government in enhancing the competitiveness of Ontario universities to attract and retain top teachers and researchers. Where appropriate, it will be important that there be sufficient resources available for the start-up and associated infrastructure costs of new researchers.

The method used to maintain high-quality faculty at colleges may be somewhat different than for universities. The Panel believes that such a fund could be used for academic development of existing faculty, particularly in colleges.

Recommendation 15

We recommend the establishment of a special matching trust fund for faculty renewal. For universities, the program should focus on special funding or endowments for hiring and retaining outstanding junior and senior scholars in areas of strength identified by governing boards. For colleges, the program should support academic development of existing faculty.

Promoting High Standards of Performance

The previous recommendation points to the need for government and private sector donors to play a significant role in supporting excellence in teaching and research. At the same time, institutions have a responsibility to promote excellence through their policies, processes and structures. Excellence is reinforced by a strong, responsive curriculum, appropriate facilities and resources, committed students, and high-quality, dedicated faculty and staff. The Panel believes that a critical component in promoting excellence is to ensure that the internal processes and collective agreements recognize and encourage performance in teaching, research and provision of service.

We are concerned about the danger of internal regulations and agreements that suppress the recognition of performance. We strongly recommend that recognition of merit be a guiding principle in the operation of colleges and universities and their compensation policies. The Panel believes that it is the clear responsibility of each governing board as part of its accountability function to encourage the recognition of performance and address those internal regulations and agreements that suppress its promotion.

Recommendation 16

We recommend that governing boards of colleges and universities ensure that a high proportion of compensation increases is awarded in recognition of excellence in teaching and, in the case of universities, of research performance, and that, without becoming involved in individual cases, governing boards ensure that appropriate processes are in place to assess and reward performance.

We are aware that special issues arise for colleges on this matter, especially in view of their current centralized system of collective bargaining, but we believe they need greater flexibility at the institutional level in human resource management.

It is often suggested that one way to introduce greater recognition of performance would be to eliminate tenure in universities. The Panel believes that the banning of tenure would not likely be helpful in this regard. In the first instance, it would be extremely costly for Ontario to go it alone in North America in banning tenure. It would add substantially to the cost of hiring and retaining faculty in Ontario to overcome the difference with other jurisdictions. Tenure is not a policy of lifetime job security regardless of the performance of faculty. We believe that the original rationale for tenure to protect individual faculty's freedom of inquiry and expression, or academic freedom, remains valid. Despite the security provided by developments in administrative law and by agreements on employment practices, tenure can play a critical role in ensuring that faculty are not harassed or dismissed because the nature of their ideas challenges current orthodoxy.

That being said, there must be limits to the protection of job security guaranteed through tenure in universities. As the Ontario Undergraduate Student Alliance emphasized in a paper presented to the Panel this fall, there must be thorough, regular and meaningful review of the performance of faculty.[16] The key issue is that there must be processes in place for the careful evaluation of teaching and research performance for the granting of tenure and ongoing appointment. These processes must respond to both outstanding and inadequate performance.

A similar responsibility attaches to the governing boards of colleges where permanent contracts play a role somewhat akin to tenure in the universities, but where permanence of employment is granted after a much shorter probationary period. Indeed, there may be an even greater need for careful and continuous evaluation under these conditions.

Recommendation 17

We recommend that, with regard to the terms of academic appointments, governing boards must fulfil their responsibility for ensuring that processes are in place for the effective evaluation of performance in teaching and, in the case of universities, in research, and that processes are in place to respond appropriately to the results of such evaluation, including corrective measures where performance is less than satisfactory.

Governing boards must be accountable for fulfilling their responsibility for fiscal management of their institutions and ensuring that the public good is served. The Panel believes that the locus of accountability must rest with governing boards. We would apply this approach to both universities and colleges. Governing boards must assume a leadership role and responsibility for development and establishment of objective standards of performance tied to the mission of the institution.

We believe that within the context of the more deregulated policy framework inherent in this report's recommendations, an even greater expectation for leadership in defining, measuring and monitoring the performance of differentiated institutional missions is required of governing boards. We believe that the approach recommended by the Task Force on University Accountability, which focused on a board's responsibility in approving policies and procedures governing institutional performance and the monitoring of them, is sound.[17] Colleges and universities should have sufficiently specific mission statements, and associated academic and financial plans, to permit the assessment of performance against their mission. Each governing board should develop performance measures, both qualitative (such as external peer reviews or employer satisfaction surveys) and quantitative (such as benchmarking and performance indicators), that allow it to gauge institutional performance.

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[16] Jane Ormrod, *Tenure, Teaching Quality and Accountability*, Ontario Undergraduate Student Alliance, October, 1996.

[17] Task Force on University Accountability, *University Accountability: A Strengthened Framework*, May 1993.

We strongly believe that responsibility for accountability of colleges and universities rests with the governing body of the institution. However, we also believe that governing bodies must demonstrate that they are executing this responsibility effectively. We believe it is important that someone external to the institution monitor this activity to assure the public and the government that this responsibility is being discharged. We propose that the advisory body for postsecondary education outlined in Chapter III undertake this function.

A Limited Role for Privately-Funded Universities

There are currently 17 provincially-assisted universities in Ontario, of which all but two have the power to grant *any and all degrees* written into their acts of incorporation passed by the Legislature. Nipissing and Ryerson Polytechnic universities have limited degree-granting powers. Within many of the publicly-assisted universities, there are a number of publicly-assisted federated or affiliated universities and colleges, some of which have independent charters from the Legislature and some degree-granting rights. Federated colleges with secular degree-granting powers hold such powers in abeyance under the terms of their federation agreements with a provincially-assisted university. Affiliated institutions do not normally have degree-granting authority.

The establishment of universities and the possession of degree-granting powers in Ontario are regulated by the *Degree Granting Act, 1983*. This *Act* restricts the granting of degrees, the offering of degree programs and the use of the word "university" to institutions with legislative authorization. It established in law the tradition that only the Provincial Legislature may charter a degree-granting institution of any kind.

The *Act* does not prohibit the establishment of new degree-granting institutions. However, it has been government policy since the 1960s not to support the establishment of additional universities. Additional university-level colleges offering liberal arts and science programs were not precluded but, if such were undertaken, it was the government's position that they should be affiliated with one of the existing, well established universities.[18] This policy was modified to accommodate the government's transformation of Nipissing College and Ryerson Polytechnical Institute to university status in 1992 and 1993 respectively. Longstanding government policy has had the effect of prohibiting the establishment of privately-financed universities.[19]

The *Degree Granting Act* and the policy prohibiting new, privately-financed universities in Ontario were designed to protect Ontario's financial investment in the existing publicly-assisted universities in order to ensure an accessible system for all Ontario residents having the academic qualifications to enroll in a program of postsecondary study. They also reflected the government's desire to have an exclusively public system and were designed to protect Ontario students and employers from "degree mills". The *Act*, combined with the policy on the establishment of new universities, effectively gave the publicly-assisted universities a monopoly with respect to the label "university" and the granting of degrees with a secular name.

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[18] This policy became known as the "Robarts policy of affiliation", as this position was first enunciated by the Honourable John Robarts in a statement to the Legislature concerning the policy of the government in relation to Ontario's universities, March 21, 1963.

[19] Privately-financed in this context means ineligible for the receipt of provincial operating and capital grants.

Privately-funded, religious and denominational institutions, theological schools and bible colleges have not been allowed to call themselves universities, but can obtain statutory charters empowering them to grant degrees if they request only theological or religious degree designations; have the support of the community they wish to serve; have sufficient resources to offer sound academic programs; and are not seeking grants from the public purse. Within the current policy framework, should such institutions wish to provide their students with degrees with a secular designation, they may attempt to secure an affiliation arrangement with one of the provincially-assisted universities in order to gain access to that institution's secular degrees.

In addition to publicly-assisted universities and publicly-funded colleges, a multiplicity of private institutions offering postsecondary education and training currently exists in Ontario. These institutions include hundreds of private vocational schools, career colleges, professional schools, institutions providing religious and theological training, and institutions that offer university-level programs from a particular religious perspective. Representatives of a very limited number of these institutions indicated to the Panel that they are seeking the authority to grant degrees with a secular name. For some institutions, this would represent a shift from diploma to degree-level activities. For others, it would involve an extension of degree-granting powers from degrees with a religious or theological designation to degrees with the same designations that secular institutions use. Still others indicated a desire to establish *de novo* degree-granting institutions.

No consensus around the current policy on the establishment of new privately-financed universities was apparent from our consultations. However, three underlying issues critical to consideration of the establishment of new university-level institutions in Ontario were raised in public hearings and submissions: the importance of internal governance structures consistent with the maintenance of academic freedom and institutional autonomy; the importance of internal and external quality control; and the need for financial standards. These issues have guided the Panel's recommendations with respect to the extension of secular degree-granting powers to institutions currently offering non-secular or restricted degrees and the establishment of new privately-financed universities.

The Panel has attempted to sort through the complex issues associated with affiliation, degree-granting authority and degree designation as they affect university-level institutions granting theological or restricted degrees. With respect to degree-granting authority and degree designation for denominational colleges, we believe that their distinctive and important studies should continue to carry theological, religious, or restricted degree designations, unless such colleges affiliate with a university. We would encourage the Council of Ontario Universities to develop general system-level guidelines pertaining to the attainment of institutional and program affiliation which will assist potential applicants in their pursuit of such arrangements.

On the issue of new privately-financed universities, we heard from many individuals and groups. Views on this matter were wide-ranging and diverse. We believe that the establishment of privately financed, not-for-profit, university-level secular degree-granting institutions in Ontario could be approved in special cases where appropriate governance structures, high academic quality and financial viability can be assured, at standards that will not devalue the reputation of an Ontario degree. In addition, the right to use the name "university" could be extended to such institutions under certain circumstances and conditions. In other countries with well-developed public university systems like Ontario's, the recent introduction of private universities seems to have had very little impact. There is no reason to believe Ontario's experience would be any different, as long as appropriate conditions are put in place.

We recognize that privately-financed, for-profit universities exist in other jurisdictions. Such institutions tend to provide "niche" programming. In our view, narrow program offerings are not characteristic of the kind of institutions that we envisage as universities. We believe that, by definition, a university must offer, at a minimum, a reasonable range of arts and science programs and be engaged in teaching, research and community service. Furthermore, we envisage universities as institutions that, at their very core, have an enormous social responsibility for the creation and critical transmission of knowledge that places unique obligations on its governing body and governance structures that may be fundamentally inconsistent with the obligations of a "for-profit" organization to shareholders or owners. Finally, authority to use the word "university", and to grant degrees, must be obtained by way of a charter granted by the Legislature of Ontario. This process requires a high degree of public trust and public responsibility, and subsequently involves a public imprimatur. In our view, such authorization is inconsistent with a university operating on a "for-profit" basis. In view of all of the above, we would, therefore, restrict the possibility of access to the name "university", and attendant authority to grant degrees with a secular name, to those institutions proposing to operate on a "not-for-profit" basis.

We trust that the Minister will likewise exercise caution in granting Ministerial Consents to out-of-province "for-profit" degree-granting institutions seeking to operate in Ontario and use the word "university" in their name.

We believe that careful screening mechanisms are absolutely essential in the event of a relaxation of current policy on the establishment of new privately-financed universities to ensure that the highly favourable national and international reputation of Ontario university degrees will not be diminished, that students will be protected in the event of institutional failure, and that new privately-financed institutions will not become a burden on the public purse. We believe that a new policy must encompass stringent criteria related to institutional mission and institutional governance; institutional and program quality; financial viability and stability; and the protection of students' financial and academic interests in the event of institutional failure.

Institutional Mission and Governance Structures

Not all secular institutions seeking the right to grant degrees with a secular name would necessarily seek university status. Neither would all institutions seeking the right to grant degrees with a secular name necessarily wish to offer program breadth that would entitle them to use of the name university. In recognition of these factors, we believe that criteria should be developed by the new advisory body for postsecondary education proposed in this report to define the characteristics of privately-financed, not-for-profit, university-level degree-granting institutions that could use the word "university" in their name without qualification. We believe that such criteria should be based upon the characteristics typical of universities in Ontario.

Privately-financed institutions seeking authority to use the word "university" in their name and grant a wide range of secular degrees should have the following characteristics: bicameral or unicameral structures of governance that recognize and respect academic freedom and collegial decision-making processes; strong faculty resources dedicated to the achievement of teaching at the highest level of quality; faculty educated and trained to engage in original research and other scholarly work in an institution prepared to commit a significant proportion of resources to research and other scholarly work; faculty resources in place to enable them to offer a broad range of four-year honours or specialist programs in the core Arts and Science disciplines, except theology; and human and other resources of a quality comparable to those of the existing provincially-assisted universities of Ontario in order that the reputation of an Ontario university degree is not debased.

Characteristics of privately-financed institutions with restricted/limited degree-granting power for which it would be appropriate to use the word "university" in a qualified manner also need to be defined so that such institutions are named in a way that reflects their special characteristics, limited mission and restricted degree-granting powers. These institutions should have governance structure characteristics, faculty qualifications, and quality requirements similar to those we suggest for institutions that can use the word "university" without qualification. The difference lies in the scope of disciplines covered and the qualified mission pursued.

In any event, the Panel believes that single discipline institutions should neither be eligible for independent degree-granting authority nor be allowed to use the word "university" in their name.

Quality

If the policy framework for postsecondary education in Ontario is to contemplate the possibility of new privately-funded secular degree-granting institutions, the Panel cannot overstate the degree to which quality evaluation must be an integral component upon which the establishment of a private university depends. Quality evaluation provides a measure of consumer protection and truth-in-advertising that will protect students and employers from educational credentials of sub-standard quality and in turn, protect the currency of an Ontario university degree in the provincial, national and internationally competitive academic marketplace. It is essential to the integrity of the postsecondary enterprise that Ontario not succumb to pressures for the extension of degree-granting privileges in a way that will eventually make it a perceived haven for degree mills, a repository for programs of inferior quality and a producer of university graduates of substandard quality.

A quality evaluation process that could avoid the significant costs of implementing a system-wide accreditation process for all institutions is advocated. In our view, the evaluation of institutional and program quality should be anchored in peer review processes where peers are nationally or internationally recognized experts, and where reviews include an evaluation of institutional governance, objectives and mission, financial resources, faculty, curricula and instruction, library, facilities, and policies related to issues such as academic freedom and admission standards. Oversight of such a process could be undertaken on a cost-recovery basis by the advisory body recommended in Chapter III.

Financial Responsibility

Hand in hand with rigorous quality assessment should be a requirement that applicants for university/degree-granting status provide evidence of financial viability inherent in a demonstration of a responsible financial plan. Levels of financial support reasonable to undertake such plans is a key component of consumer protection. A rigorous review of the financial resources available to new universities and their business plan is a critical part of the initial review process.

We recognize and accept that with the prospect of privately-financed universities comes the associated risk of institutional failure. We believe that measures must be taken to provide an appropriate degree of consumer protection for students in such circumstances. We propose a requirement that private institutions create a fund to provide for the transfer of students to alternative institutions to complete their education. Or, institutions could be required to post a financial bond of appropriate magnitude, modeled after consumer protection regulations within the *Private Vocational Schools Act*, to protect students and student records and to provide for funding to ensure students could complete their programs of study in the event of institutional failure.

Access to provincial operating and capital grants would continue to be restricted to the existing publicly supported system and their federated and affiliated colleges. Institutions seeking access to public operating support would be required to affiliate with an existing provincially-assisted university. However, we would recommend that students in private universities be treated the same as students in private vocational schools for student assistance purposes. As outlined in Recommendation 7(iii) in Chapter II, these students should be eligible for loans on an income-contingent basis, but should not be eligible for student grants.

Recommendation 18

We recommend that Ontario's policy precluding the establishment of new, privately-financed universities be amended to permit, under strict conditions, the establishment of privately-financed, not-for-profit universities with the authority to grant degrees with a secular name. Strict conditions and standards must apply to institutional mission and governance structures; institutional and academic quality, as determined by nationally or internationally recognized peer review; financial responsibility; and protection of students in the event of institutional failure. These conditions and standards should be developed by the advisory body on postsecondary education recommended in this report.

Chapter V

Conclusion

Leading Ontario's universities and colleges into the new millennium is a task that demands both tenacity and humility: tenacity because the institutions, customs and values already established are so resistant to change; humility because particular change may turn out to hurt more than it helps. This is the delicate balance that at once energizes and enervates the thoughtful advocate of change.

It is a balance made all the more delicate by the certain knowledge that our advice is but the latest in a sequence of commissions, committees, task forces and individuals invited over the past three decades to advise on future directions for postsecondary education, in Ontario and elsewhere. But delicacy aside, it is this same knowledge which emboldens us to think we just may have got some things right, since others have come to similar conclusions.

It is also a balance, and a much more delicate one, that mirrors the relationships among government, university and college in the real world of practical policy. Ours is not a world in which government decides and others respond, however appealing that image may sometimes be. Dictation by government would destroy the heart and soul of the college and university, institutions which are nothing if they are not autonomous. Yet we also know, and with equal certainty, that autonomy is perverted if it conveys merely the opportunity to serve narrow and private interests without clear public accountability.

And so we face a doubly delicate balance. We have sought, deliberately, to offer a framework for public policy respecting postsecondary education. We have sought to avoid, also deliberately, overly precise prescriptions of exactly how that framework should unfold in specific instances. Our success in balancing boldness with wisdom remains for others to judge and, in any case, is of lesser consequence than is the boldness and wisdom with which those who carry the burden of leadership take up the challenge.

We have inherited a rich endowment in our colleges and universities. We must not destroy that inheritance, either through profligate spending or inadequate investment. We must, instead, build on it as the surest guarantee of our future prosperity in an uncertain world. And precisely because that future is uncertain, we must be prepared to take risks, to chart new courses and to challenge established ways. It will be, as it has always been, a delicate balance.

Appendix A

Consultation Schedule and List of Groups, Organizations and Individuals who Contributed

City	Date/Location	Institutions/Organizations
Thunder Bay	Wednesday, September 25 **Lakehead University**	Confederation College of Applied Arts and Technology Lakehead University
Sudbury	Thursday, September 26 **Cambrian College**	Collège Boréal Cambrian College of Applied Arts and Technology Canadore College of Applied Arts and Technology Laurentian University – Algoma College – Collège de Hearst Nipissing University Northern College of Applied Arts and Technology Sault College of Applied Arts and Technology
Toronto	Thursday, October 3 **Queens Park**	Professional Association of Interns and Residents of Ontario Ontario Hostelry Institute Francophone Education Issues Focus Group: – Alliance pour les collèges francophones de l'Ontario – Association canadienne-française de l'Ontario – Chambre économique de l'Ontario – Consortium des universités de la francophonie ontarienne – Direction-Jeunesse – Fédération de la jeunesse franco-ontarienne Ontario Public Service Employees Union – College Academic Staff Canadian Union of Public Employees – Ontario Division Ontario Chamber of Commerce Institute of Chartered Accountants of Ontario Ontario Public Service Employees Union – College Support Staff
Ottawa	Thursday, October 10 **Algonquin College**	Algonquin College of Applied Arts and Technology University of Ottawa Collège dominicain de philosophie et de théologie St. Lawrence College of Applied Arts and Technology Queen's University La Cité collégiale Carleton University

City	Date/Location	Institutions/Organizations
Hamilton	Wednesday, October 16 **McMaster University**	Mohawk College of Applied Arts and Technology Brock University Niagara College of Applied Arts and Technology Sheridan College of Applied Arts and Technology University of Waterloo McMaster University
Toronto	Thursday, October 17 **George Brown College**	Humber College of Applied Arts and Technology Ryerson Polytechnic University Centennial College of Applied Arts and Technology University of Toronto George Brown College of Applied Arts and Technology Ontario College of Art and Design
Toronto	Tuesday, October 22 **Panel Office**	Ontario Association of Indian Friendship Centres Ontario Council on Graduate Studies Ontario Institute for Christian Studies Canadian Association of University Teachers
Toronto	Wednesday, October 23 **Queens Park**	Association of Community College Alumni Council of Ontario Universities Redeemer College Confederation of Ontario University Staff Associations DeVry Institute Northern Institute of the Arts Ontario College Administrative Staff Association Association of Part Time University Students/Continuing Education Students Association of Ryerson Friends of Ontario Universities
Toronto	Thursday, October 24 **Queens Park**	Aboriginal Consortium: – Akwesasne Adult Education Program – Anishnabek Education Institute – First Nations Technical Institute – Grand River Polytechnic – Rainy Lake Ojibway Education Authority – Six Nations of the Grand River Ontario Undergraduate Student Alliance Ontario Association of Career Colleges Ontario Council of Regents for Colleges of Applied Arts and Technology Ontario Confederation of University Faculty Associations Canadian Federation of Students – Ontario Ontario Community College Students' Parliamentary Association Association of Colleges of Applied Arts and Technology of Ontario
London	Wednesday, October 30 **University of Western Ontario**	Fanshawe College of Applied Arts and Technology University of Western Ontario Conestoga College of Applied Arts and Technology University of Guelph St. Clair College of Applied Arts and Technology University of Windsor Lambton College of Applied Arts and Technology Wilfrid Laurier University

City	Date/Location	Institutions/Organizations
NorthYork	Thursday, October 31 **Seneca College**	Durham College of Applied Arts and Technology Seneca College of Applied Arts and Technology York University Loyalist College of Applied Arts and Technology Sir Sandford Fleming College of Applied Arts and Technology Trent University Collège des Grands Lacs Georgian College of Applied Arts and Technology

In addition, the Panel received information from and/or met with the following individuals, groups and institutions:

Aboriginal Education Council
Adler Graduate School
Advisory Council to the Ontario Deans of Engineering
Agricultural Research Institute of Ontario
Ministry of Agriculture, Food and Rural Affairs
Association of Professors of the University of Ottawa

Baycrest Campaign
D. Bentley
M.A. Bisby
Board of Trade of Metropolitan Toronto
Mike Boland
Brant Community Future Development Corporation
James Brasch
Business Training Career Centre

Canadian Memorial Chiropractic College
Canadian School of Management
Carleton University Staff Association
Nancy Carroll
Sonia Chin
Conseil des écoles séparées catholiques de langue française de Prescott-Russell
Conseil pour l'intégration des francophones – minorités raciales
Contact North

John Dennison*

Faculty Members of Brock University
Faculty Members of the University of Western Ontario
E. Bruce Fodden

Donald Garrie
General Arts and Science Division at Humber College
Michael Gordon

Michael Hatton

Integrated Collaborative Nursing Program

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Lakehead University Faculty Association
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Learning Disabilities Association of Ontario
Le Groupe des infirmières et des infirmiers francophones de l'Ontario
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Alistair Macleod
R. Marvin McInnis
McMaster University Alumni Association
Henry D.R. Miller*
J.R. Montgomery

Network for Ontario Distance Education
New College – University of Toronto

Office for Partnerships of Advanced Skills
Ontario Association of Student Financial Aid Administrators
Ontario College and University Library Association
Ontario Council for Life Long Learning
Ontario Crafts Council
Ontario Heads of Technology – Colleges of Applied Arts and Technology
Ontario Native Education Counselling Association
Ontario Public Education Network
OPSEU Local 655 – Cambrian College
Ontario Secondary School Students' Association
Ontario University Workers Coordinating Committee

Ron E. Phillips
Prior Learning Assessment and Recognition Coordinators Working Group – Western Region
John F. Postma
Professional Engineers of Ontario

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* no formal brief provided

Provincial Steering Committee on the Future of Nursing Education
K.K. Puri

Registered Nurses Association of Ontario
School of Nursing at Humber College

John G. Sim and Associates
Sheila Sim
Simcoe County Foundation
Andrejs Skaburskis
Norman Socha
Society for Academic Freedom and Scholarship
Sudbury and District Chamber of Commerce

Tony Tilly*
Township of Lavant, Dalhousie and North Sherbrooke
Trent University Alumni Association
Trent University Faculty Association

University of Guelph Staff Association
University of Ottawa Support Staff
University of St. Jerome College – University of Waterloo
University of Toronto Alumni Association
University of Toronto Faculty Association
University of Waterloo Faculty Association
University of Waterloo Staff Association
University of Western Ontario Faculty Association

Victoria University – University of Toronto
Diedre Vincent
VOICE for Hearing Impaired Children

York University Faculty Association

Student Groups

Algonquin College students
Alma Mater Society at Queen's University

Brock University Students' Union

Canadian Federation of Students – Ontario
Carleton University students*

Engineering Student Societies Council – Ontario

Fanshawe College students

Graduate Students Society – University of Windsor
Graduate Students of York University

Lakehead University students*

McMaster University Association of Part-Time Students*
McMaster University Students' Union

Ontario Community College Students' Parliamentary Association
Ontario Undergraduate Student Alliance
Ontario Graduate Association

Ryerson Polytechnic University Student Administrative Council

St. Lawrence College students*
Student Representatives of Brock University

Trent University Central Student Association

University of Guelph Graduate Students' Association
University of Ottawa Graduate Students' Association
University of Ottawa students
University of Toronto students
University of Toronto and Ryerson Polytechnic University Continuing Education and Part-Time Students Associations
University of Waterloo – Federation of Students
University of Western Ontario Aboriginal Students
University of Western Ontario Part-Time and Mature Students Association
University of Western Ontario Undergraduate students
University of Windsor students
University of Windsor Part-Time Students Association

Wilfrid Laurier University Graduate Students' Union
Wilfrid Laurier University Students' Union

York University Students Association

Other Individuals Consulted*

Dan Branda
Jack Cockwell
Stefan Dupré
George Eaton
Tony Fell
Peter Godsoe
Ned Goodman
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Paul Hoffert
Sarah Iley
Charles Pascal
Bob Peterson
Courtney Pratt
David Race
Judith Roger
Jeff Rose
Art Scace, Q.C.
Peter Simon
Sherri Torjman
John Tory, Q.C.
Don Walker
William Withrow
Joyce Zemans

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* no formal brief provided

APPENDIX A

Acknowledgements

The Panel would like to thank all participants in the consultation process with special thanks to the staff and students of the colleges and universities which hosted our meetings and the following individuals.

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Appendix B: Background Paper

Prologue to Change: An Abbreviated History of Public Policy and Postsecondary Education in Ontario

by

David M. Cameron
Diana M. Royce

Introduction

Ontario's rich network of public colleges and universities, supplemented by a host of private institutions, is not the product of a single grand design. Nor did it just grow, topsy-like, without direction, care, or stubborn determination. Ontario's postsecondary institutions, along with their traditions, ambitions and limitations, have been profoundly shaped by choices made previously, just as their potential contributions will be shaped by decisions made today and in the future. They have grown and changed over two centuries, and we need to know and appreciate some of the critical choices that have brought them and us to where we are. Ignorance of our past is a poor basis upon which to chart future directions.

It is not the purpose of this paper to present a comprehensive history of postsecondary education in Ontario which, in any case, would have to encompass much of the history of the province. Rather, the purpose is to note some of the key decisions and events which have marked and shaped our collective journey to the present. We believe that this is important in understanding the changes that need to be made now in the public policy framework that will guide us to the future. In this, we must begin with the foundation of Ontario's current constitutional order, the Constitution Act of 1791 and the establishment of Upper Canada.

The Foundation

Within less than a decade of this foundation, the executive and legislative branches of the colonial government joined in making a quite remarkable request. They asked that a large reserve of crown land be set aside as a permanent endowment for county grammar schools and a provincial university, in order that the benefits of higher education might be secured for future generations. But the wisdom inherent in this investment in the province's future was not matched by the manner in which the twin objectives were initially accomplished. The early grammar schools were modeled as far as possible on the "public" schools of England, meant for the education of gentlemen, and part of a larger project of building a colonial aristocracy in Upper Canada. And the university likewise. The royal charter obtained by Archdeacon Strachan did not provide for a provincial university, but for an exclusive college, styled King's, and offering a classical education under the authority of the Anglican Church.

Neither idea made much sense in the pioneering society that was actually aborning, and the clash between these two conceptions of society, incorporating as it did a growing contest between legislature and executive, bubbled and boiled for decades, through open rebellion, Lord Durham's royal commission, the union of Upper and Lower Canada, the attainment of responsible government, and on through to Confederation in 1867.

Anglicans did succeed in getting King's College up and running by 1843, and they also succeeded in claiming the university portion of the original endowment, but their "victory" was a hollow one. A university which was controlled by a single denomination was not acceptable to the bulk of the population. So if King's was to be Anglican, the others would have to have their own colleges, and lay claim to their rightful shares of the public endowment, which they did. Indeed, by the time King's opened its classrooms, there were already three other colleges in operation: Methodist Victoria in Cobourg, and both Presbyterian Queen's and Catholic Regiopolis in Kingston. Eleven more denominational institutions would be added before the "university question" was supposedly settled for good in 1887.

It wasn't as though no one was trying to resolve the great question. An attempt was made as early as 1844 to federate the denominational colleges into a University of Toronto, along the lines of the University of London in England. Then, in 1849, King's College was actually stripped of its denominational character, becoming the University of Toronto, and often referred to as the "godless" university. There seemed to be no happy solution to the problem. And as if to rub salt in the public wound, the tenacious John Strachan got another royal charter for another Anglican college to replace King's, this one named Trinity. In the meantime, Toronto was transformed into a degree-granting body only with instruction shifted to a non-sectarian institution suitably named University College.

If the remarkable decision in 1797 to endow a provincial university had proven to be ahead of its time, and in conflict with the denominational proclivities of the colonial society, the bold decision by Premier Sandfield Macdonald's government in 1868 to terminate all grants for denominational colleges offered the province an opportunity to make a second start in shaping a workable public policy framework for postsecondary education in Ontario. Much had changed in Ontario's political economy during the intervening seventy years, and much needed to be changed in Ontario's educational institutions to bring them into harmony with the communities they were intended to serve. The decision to terminate public support led to one immediate casualty. Regiopolis ceased work at the postsecondary level. The others struggled on as best they could.

A New Beginning

With the added financial pressure resulting from the termination of grants to denominational colleges, the government finally managed a breakthrough in putting the old university question to rest. In 1887 the University of Toronto Federation Act was passed, reestablishing the provincial university as a teaching institution, confirming the affiliation of several theological colleges and, in its most important achievement, adding Victoria as a federated university (in this, Victoria agreed to relocate from Cobourg to the Toronto campus, bringing also the former Albert College of Belleville, with which it had recently merged). Trinity and St. Michaels would follow suit, but Queen's and several other smaller denominational institutions were determined to remain where they were and, at least for the time being, to forfeit public support. The Baptists, with an enormous endowment from Senator William McMaster, President of the Bank of Commerce, took this opportunity to expand their college in Woodstock and move it to Toronto as McMaster University, on the edge of the University of Toronto campus but not a part of the federation.

With the old issues more or less tidied up, Ontario now had to come to terms with the profound changes that were at work in the world. Ontario was a part of an increasingly industrialized international economy, and if it was to claim a place in that economy, it needed more than classically trained scholars. Higher education in the sciences and professions was mostly beyond the capacities of the denominational colleges, and as early as 1872 the government moved to establish what would shortly become the School of Practical Science on the University of Toronto campus. A School of Agriculture followed shortly in Guelph. Several proprietary professional schools were established at this time as well, including schools or colleges of medicine, dentistry, pharmacy, veterinary science, and law. Some of these institutions also received government support. And one of the signal side effects of the federation agreement was the opportunity it presented to bring training in several of these professions within the ambit of the University of Toronto. Faculties of both medicine and law were established, while the School of Practical Science, the now College of Agriculture and the newly established Ontario Veterinary College were formally affiliated with the university, as were the Royal College of Dental Surgeons, the Ontario College of Pharmacy, and both the Toronto School of Music and the Toronto Conservatory of Music.

Even though Queen's was moving to sever the control of the Presbyterian Church, it was still considered a denominational university, and was therefore not eligible for provincial grants. It managed, nonetheless, to find an alternative path to the provincial treasury. In 1893 it established a School of Mining and Agriculture under a separate provincial charter and with its own governing board, albeit formally affiliated with the university, which granted the degrees. By this device, Queen's managed to obtain provincial funding for what amounted to a Faculty of Applied Science. It was a clever device, and it would be copied by a number of others in later years.

Meanwhile, the University of Toronto itself, still living off its share of the original endowment, was finding it almost impossible to keep pace with the growing demands resulting from the scientific revolution and the attendant imperative of pursuing graduate studies and research. In 1901 the government finally provided some relief, augmenting the endowment income with annual grants targeted initially for the departments of chemistry, physics, mineralogy and geology.

There was one more legacy of the eighteenth century endowment that needed attention. The exclusive grammar schools, with their aristocratic pretentions, could not meet the needs of much of the population, but they effectively blocked the development of more practical education. A common school act was passed in 1816, but this served primarily to confirm the class-based character of Ontario's school system. In 1841 a denominational element was introduced as well, with guarantees for separate Catholic or Protestant schools arising from the union with Lower Canada. Then, in 1871, the foundations of the contemporary public school system were finally put in place. Common or separate schools became elementary schools, and grammar schools became public secondary or high schools. This was the great legacy of the indefatigable Egerton Ryerson, who had earlier led the move to establish Victoria College (not to mention his several attacks on King's and the University of Toronto). But two anomalies persisted. The classical tradition of the grammar school was carried over and continued to dominate the secondary school curriculum. Indeed, those secondary schools which continued to meet a defined classical standard were set apart and designated collegiate institutes. Moreover, the new secondary schools continued to offer instruction through to senior matriculation (subsequently grade thirteen) which meant that the first year of a university degree program could be completed in local high schools as well as in universities. While this would later obviate the need for the development of community colleges along the American model as local feeder institutions for universities, it immediately confirmed the primacy of academic programs over vocational or technical options at the secondary level. The latter issue would subsequently be taken up by Ryerson's successor, John Seath, but first we need to take note of the quite remarkable seven-member royal commission chaired by Joseph (later Sir Joseph) Flavelle which transformed the governing structure of the University of Toronto.

The Flavelle Royal Commission

Although written in 1906, the report of The Royal Commission on the University of Toronto speaks to so many contemporary problems, and with such a modern ring, that it warrants extensive citation. In summing up the problems facing the University of Toronto, wrote Flavelle, three stand out for immediate attention. First, the university needed a strong executive head, and the office of president should be fully empowered as the CEO of the corporate university. Second, the university had become hopelessly compromised by political interference on the part of governments, even including the appointment of academic staff, and to remedy this Flavelle proposed a bicameral governing structure that almost immediately became the model for all of Canada.[1] State authority over the university should be embodied, not directly in the government of the day, but in a governing board appointed by government but exercising independent authority. Academic matters should be the preserve of the Senate, and the two brought into harmony under the executive leadership of the president. The third problem has perhaps the most hauntingly contemporary ring of all. The university, Flavelle concluded, "...has also suffered through a long period of years, from an insufficient revenue." Their justification for additional funding was nothing if not practical in nature:

> The agricultural, mineral and forest wealth and the water power of this province call for a practical capacity and a specialized knowledge which only a modern university can supply, and it is the happy function of the Legislature not only to sustain the moral influences that come from higher education but to contribute to the national prosperity by adequate votes of money for the training of youth[2].

Revenue from the original endowment needed to be supplemented, but the Commission was not enamored of the insecurity attendant upon annual appropriations. It wanted a benchmark against which the adequacy of government grants might be judged, and found it in the revenue obtained from succession duties, which were expected to grow roughly proportionate with the provincial economy. The Commission therefore recommended that half of all revenues from this source be allocated to the University of Toronto, and that another tract of crown land, in the newly acquired territory of Northern Ontario, be added to the original endowment.

The Commission had so much more wise advice for both government and university that one is tempted to cite even more extensively from this critically important report. Suffice it to note just three additional observations: that greater emphasis needed to be placed on research and graduate studies, that following a probationary term faculty appointments ought to be made with tenure, as it was then understood in the great universities of North America, and that the system of fixed annual salary increments for faculty should be scrapped and "...that increases should depend upon merit, and particularly upon the capacity for productive work which is exhibited".[3]

The government immediately accepted the report's recommendations, and secured the structural changes in legislation. On the financial front, the commitment of half of all succession duties to the University of Toronto was accepted for the first few years, but abandoned shortly thereafter when, in 1914, the annual grant was fixed at $500,000. Meanwhile, both Queen's and Western had shed their denominational control and thereby qualified for provincial support. An inadequate funding base was now spread over three universities.

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1. Ironically, the University of Toronto subsequently abandoned the bicameral principle when in1971, it adopted a unicameral Governing Council. Ten years later, it restored a significant element of bicameralism by creating academic and business boards, albeit still under the umbrella of a governing council.

2. *Ontario Royal Commission Re: the University of Toronto*, Toronto: Warwick Bros. & Rutter, 1906, p. xix.

3. Ibid., p. iii.

In seeking yet another more permanent solution to this financial problem, the government turned to a second royal commission in 1920. It reiterated most of the principles enunciated by Flavelle, including the benchmark of half of all succession duties, which would have yielded enormous increases in funding for all three institutions. The government, in turn, accepted the need for modest increases in grants, but refused to budge from its practice of setting the amounts as part of its annual budgets.

All of this unfolded in tandem with some major developments on the technical and vocational side, changes which among other things brought the federal government into the beginning of what was to be an uneasy partnership with the province in matters of postsecondary education.

Technical Education, Research, and the Federal Government

It fell to John Seath, Ryerson's successor as Superintendent of Education, to try to bring the secondary schools into line with the economic reality of the province. What he developed was nothing if not a grand design. He wanted two parallel but equal systems, academic high schools as currently existed, and technical high schools with the same high entrance standards but very different curricula. He also recommended a third stream: vocational schools without entrance examinations. This system was actually legislated into being in 1911, albeit only for urban municipalities, and with the technical and vocational schools made subject to the authority of the existing high school boards. The results were mixed. On the one hand, the greater prestige of the academic high school program was not seriously challenged, and the idea of separate but equal technical high schools never really took hold. But even at that, Ontario moved to the forefront of Canadian provinces in its provision of technical and vocational education and training at the secondary level. As a consequence, it was the only province positioned to make effective use of federal grants when they were introduced in response to the 1913 report of the Royal Commission on Industrial Training and Technical Education.

The appointment of that commission in 1909 occurred amidst general uncertainty as to whether technical and vocational training fell properly under provincial jurisdiction over education or federal responsibility for economic regulation and development. In announcing Ontario's support for the federal commission, the Minister of Education indicated that he considered the prospect of federal grants to be a suitable recognition of a national obligation. Canada's first ever shared cost or conditional grant programs did indeed emerge as a consequence of the royal commission, for training in agriculture in 1912-13, and for technical and vocational training generally after the war in 1919. The first world war also convinced the federal government that greater investments in research were essential both to support the war effort and, even more important in the longer run, to secure Canada's competitive position economically. In 1916 it launched the National Research Council which was intended to support industrial research but, given the paucity of private research establishments, was forced to turn immediately to providing scholarships and research grants to graduate students and faculty members. The University of Toronto quickly became a major beneficiary, along with McGill, of NRC support. Incidentally, the provision of federal research grants created a problem that to this day plagues Canada's research-intensive universities. Federal grants cover only the direct costs of research. Provinces and the universities themselves must cover all indirect costs of federally-sponsored research, including the salaries of the principal investigators.

Joseph Pigott and Apprenticeship

It was not just that technical and vocational high schools faced competition from their academic cousins. There was also a long tradition of on-the-job training, especially in the form of apprenticeships. This mode of training, under the supervision of experienced journeymen and masters, had fallen into substantial disrepute in Canada, in large part because contract labour was associated with the exploitation of children and was indeed employed as a penal device in dealing with delinquent minors. The man who worked hardest to restore apprenticeship training as a legitimate form of education was Joseph Pigott of Hamilton. A partner in a major construction company, he first turned his considerable lobbying talents to the federal level, but by the mid-twenties was persuaded that the provincial government offered greater promise. And by 1928, he had succeeded in incorporating his so-called Pigott Plan in a provincial Apprenticeship Act. The principles underpinning apprenticeship training have not changed much in Ontario since then. And precisely because such training is dependent on employer support, Pigott's cherished scheme floundered through the 1930s, as employment and therefore jobs for apprentices, shriveled. From a high point of 1,418 registered apprentices in 1930, participation plummeted to a mere 434 in 1934, by which time Ontario had suspended the classroom instruction of apprentices in its technical high schools. Registrations did begin to recover toward the end of the decade as employment picked up, only to be hammered once again as the war effort sucked up so many potential trainees. This perverse dependence on the labour market, not to mention the rigidities imposed by employers and unions alike, continues to stifle this form of training which, otherwise, holds out enormous potential.

The Post-War Boom

A number of developments during the war laid the groundwork for the quite incredible expansion that was to take place in the quarter century following its conclusion. Canada's leading university presidents, including several from Ontario, became accustomed to working closely with federal officials, a relationship that spawned the Veterans' Rehabilitation Act and the massive invasion of university campuses by discharged armed forces personnel through the latter years of the war and the early post-war period, and subsequently begat federal grants directly to universities through the 1950s and 1960s. The foundations of what would become Carleton University were laid when the Ottawa Association for the Advancement of Learning established Carleton College under the Ontario Companies Act, thereby creating the province's first private, non-sectarian college. McMaster, by now relocated to Hamilton, followed suit in 1948 by copying Queen's much earlier example, incorporating Hamilton College as a "private" faculty of science.

Training was also required for veterans, and others, outside of universities, which led to the establishment of a new type of institution at the postsecondary level. This was partly the legacy of the federal vocational Training Coordination Act of 1942, which was replaced in 1960 by the much more generous Technical and Vocational Training Assistance Act. But there was an emerging shift in provincial policy as well. The Toronto Training and Rehabilitation Centre was established in 1945, and into it the determined Joseph Pigott persuaded the Ontario government to move the classroom portion of apprenticeship training from vocational high schools. The centre was subsequently transformed into the Ryerson Institute of Technology. Ryerson was one of several new institutes, offering two-and three-year programs for the training of technicians and technologists. Others included the Provincial Institute of Mining in Haileybury, the Provincial Institute of Textiles in Hamilton (later the Hamilton Institute of Technology), and the Lakehead Technical Institute in Port Arthur. Institutes of technology were subsequently added in Ottawa and Windsor, while the Northern Ontario Institute of Technology completed the network in 1962. In the meantime, Lakehead was transformed into a College of Arts, Science and Technology in 1957, while Ryerson was destined to become a Polytechnical Institute in

1964. The old problem with apprenticeship re-emerged, however, and as Ryerson charted a more elevated course, it grew impatient with this postsecondary orphan that admitted students with less than a full high school education. In response, the government created yet another kind of institution, the Institute of Trades in Toronto. This concept was later renamed and expanded, and by 1965 there were Ontario Vocational Centres in Ottawa, London and Sault Ste. Marie, with plans for at least one more in Hamilton.

Comparable expansion was also occurring on the university side. The influx of veterans during the 1940's was thought by many to be a temporary phenomenon. And of course it was, but it also masked substantial growth in civilian enrolment which, fueled by the baby boom and rising expectations, not to mention federal and provincial largesse (which in the federal case was not confined to non-sectarian institutions), produced a phenomenal growth in the number and size of publicly-supported universities in Ontario. In the course of this expansion, Ontario would finally see the end of its denominational heritage. The old university question would be buried under an avalanche of rising enrolments. Amazingly, however, that very denominational heritage would provide the raw material out of which the great expansion was carved. In the event, very few brand new institutions were created.

Carleton College was the first to move, obtaining a public charter in 1956 as Carleton University. McMaster had already moved part way out of the denominational fold when it founded Hamilton College. It took the final step in 1957 when it began a new life, bearing the same name but shedding its Baptist connections. A somewhat similar but more complex pattern occurred in Windsor. Assumption College, still Catholic, severed its affiliation with Western and founded Essex College, and subsequently changing its name to Assumption University of Windsor. Then, in an unprecedented move, the Anglican Church established Canterbury College in affiliation with the still Catholic Assumption University. In due course, the university severed its church connection and took on a secular title as the University of Windsor in 1963. Waterloo College (Lutheran) started to follow suit, but ended up somewhere else. It created the Waterloo College Associate Faculties, to begin teaching and research in the sciences, under letters patent. The intention was to establish a University of Waterloo, with both Waterloo College and St. Jerome's as affiliates. At the eleventh hour, however, the Lutheran Church backed out, and in 1960 the City of Waterloo ended up with two universities: Waterloo University and Waterloo Lutheran, one public and one private. Waterloo Lutheran was running against the tide, however, and eventually threw in the towel and ended up by 1973 as the public Wilfrid Laurier University. The bilingual Laurentian University was similarly founded in Sudbury in 1960, based on the Catholic University of Sudbury, itself dating back to a classical college founded in 1913 and affiliated with Laval in Quebec. It took on a quite distinctive character in 1967 when, in order to block community-based efforts to add universities in North Bay and Sault Ste. Marie, the government redirected these efforts and both Nipissing and Algoma Colleges joined tiny Collège de Hearst in affiliation with Laurentian. The established agricultural and veterinary colleges, located in Guelph but originally affiliates of the University of Toronto, joined in federation with the Macdonald Institute (home economics), added an arts and science faculty, and in 1964 became the University of Guelph. Meanwhile Lakehead College, which had started out as a Technical Institute, was given degree-granting powers in 1962, and designated a university in 1965, the same year in which Ottawa abandoned its connection with the Catholic Church (it had long been receiving public funds, but only for its medical school).

All of this brought to twelve the number of publicly-funded universities in Ontario. It was a remarkable achievement, made all the more remarkable because it was not the result of a master plan, but rather the outcome of bilateral negotiation between individual colleges and their community supporters and the provincial government. But this very ad hocery, together with the multiplying institutions emerging on the non-university side, seemed to be giving Ontario's postsecondary education policy the appearance of a headless horseman, mounted on a powerful steed and racing off in all directions. By the early 1960s, the Ontario government's attention was already shifting to how all these institutions might be coordinated and brought under some manner of control and direction as a provincial system, especially given the stated policy of ensuring that there would continue to be room "... within our universities for all students who wish to proceed to some form of higher education."[4]

Attention turned to urgency when the next step in high school reform was unveiled in 1962. The dual system of academic and vocational schools, the legacies of Ryerson and Seath, was abandoned and the "Robarts Plan" laid out three "streams" to be offered within comprehensive high schools: "arts and science", "science, technology and trades", and "business and commerce". What was also new was that each of these streams would have five-year (grade 13) and four-year (grade 12) programs, the first leading to university, and the second only to the labour force or the technical institutes. But high school enrolment was growing so fast, and students were evidently expecting to continue beyond high school in such rapidly growing proportions, that the prospect of thousands of students graduating from high school in 1966 and 1967 with no where to go served to galvanize provincial planning for another postsecondary option. The apparent availability of federal grants did not dampen enthusiasm for a grand new design.

A Binary "System" Emerges

The task of giving substance to this new design was taken up with something approaching passion by the new minister of education, William G. Davis. He proposed to sweep virtually every conceivable form of postsecondary education and training, save only that which would reside within universities, into comprehensive institutions to be known as Colleges of Applied Arts and Technology. The mandate of these colleges was nothing if not sweeping. They were, said the minister, to be designed "for full-time and for part-time students, in day and in evening courses and planned to meet the relevant needs of all adults within a community, at all socio-economic levels, of all kinds of interests and aptitudes, and at all stages of educational achievement".[5]

Enabling legislation was passed in 1965, and the first college, Centennial in Scarborough, was up and running in late 1966. A number of others were operating by 1967, and by 1970 there were 20 colleges spread across the province. Many of the technical institutes, vocational centres, trade schools and adult education centres were wrapped into the new colleges. They were to be governed by individual boards, and some board members had early ambitions that looked more like junior universities than the comprehensive colleges the government had in mind. These ambitions were held in check by a highly centralized governance structure. The provincial Council of Regents appointed college boards and controlled college curricula. In due course the council would also become the bargaining agent for the colleges.

Nothing quite so centralized was ever envisaged for the universities, but an effort was made to ensure that any further expansion was the result of deliberate decision and not just unfettered ambition. An Advisory Committee on University Affairs was created in 1961, initially chaired by the minister of education, John Robarts. In 1962 the committee invited the presidents of all the public universities (now including York, which was established initially under the guidance of the University of Toronto) to meet and devise a plan for future expansion. The task was handed over to a sub-committee of senior university officials, chaired by the vice-principal of Queen's, J.J. Deutsch.

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[4] Statement by John Robarts, Premier, to the Legislature of Ontario, March 21, 1963, Ontario Hansard, p. 2007.

[5] Ontario Department of Education, *Colleges of Applied Arts and Technology: Basic Documents*, Toronto: June, 1967, p. 16.

Faced with projections of rapid and continuing enrolment growth, Deutsch's committee considered the option of junior or community colleges offering the first two years of university work. They rejected this option for reasons that turned out to be prescient: either "...they would be regarded as an inferior substitute for degree-granting institutions and would fail to win public acceptance, or else...there would be an overwhelming demand to add a third year and grant a degree."[6] Instead, the committee recommended "city colleges", plus liberal arts colleges initially associated with existing universities. In the event, the "city college" idea was dissolved into the Colleges of Applied Arts and Technology, while liberal arts colleges were established by the University of Toronto in both Scarborough and Mississauga (Erindale). Two more would be created, but without formal ties to existing universities, and without formal limits on their future academic aspirations: Brock in St. Catharines, and Trent in Peterborough. This completed the network of universities in Ontario, bringing the total to 15. Two more would be elevated to university status in the 1990s, Ryerson and Nipissing, but they were already established as institutions. It was all rather little and late as a master plan for university development, but it was better than no plan at all, and it did set the stage for a stronger cooperative planning framework with the universities themselves. That framework, however, would await the first of several commissions that would be appointed in what has been a continuing search for new directions in devising a policy framework for the multiplicity of universities and colleges that had come to define the binary nature of Ontario's postsecondary institutions. Binary it was; what it was not was a provincial system.

The Search for New Directions

The infrastructure for the provision of postsecondary education in Ontario was largely fixed by the late 1960s. In many similar respects, the government's policy framework for postsecondary education was largely fixed by John Robarts' statement in the Ontario legislature in 1963 on university development, and another by William G. Davis in 1965 with respect to the establishment and operation of the system of colleges.

The latter part of the 1960s marked a turning point for postsecondary public policy, taking the search for new directions into unpredictable and uncharted territory. Since that time, Ontario's postsecondary policy framework has been characterized by loosely linked, ad hoc and incremental policy decisions whose policy origins are rooted in Robart's and Davis's public statements on the one hand, combined with a continuous search for advice with respect to new policy directions from commissions, committees and task forces on the other. And all this has occurred in the face of generally declining levels of support combined with generally increasing levels of enrolment.

What was not clear in the 1960s was the degree to which participation in postsecondary education would become an expectation and to some extent, a necessity for an ever-increasing number of Ontarians. Demand for university education in Ontario burgeoned to levels well beyond that predicted by expert forecasters. In 1963 experts projected that there would likely be 91,000 full-time undergraduate students by 1970. Actual full-time undergraduate enrolment reached 105,000 students in 1970 and continued to increase over the long-term, rising to about 145,000 students in 1975, 167,000 in 1985, and reaching over 203,000 in 1995. Between 1970 and 1995, full-time undergraduate enrolment increased 93%. To this must be added another 24,000 full-time graduate students and 91,000 part-time undergraduate and graduate students for 1995.

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[6] Committee of Presidents of Provincially Assisted Universities, *Post-Secondary Education in Ontario, 1962-1970*, Toronto: mimeographed, 1962, p. 20.

Full-time college enrolment experienced a more dramatic pattern of steady growth. From approximately 11,400 full-time postsecondary enrolments in 1967 when the colleges first opened, a more than four-fold increase occurred over the first decade to just over 61,000 students in 1977. By 1985, enrolments in the colleges increased a further 63% to over 96,000 students, and by 1995 reached 135,880, an additional 41% growth over the last decade.

Colleges also serve an astounding number of part-time students. In 1985, there were 647,835 part-time college registrations, representing approximately 485,876 students. Part-time registrations increased to 776,064 in 1994 representing approximately 582,000 students and reflecting an increase in the number of part-time students of approximately 20% .

The 1960s not only placed postsecondary education in Ontario on a trajectory of enormous growth in student demand, they marked a turning point in public expectations. Attitudes toward higher education underwent a transformation and demand for access to postsecondary education exploded. However, government was beginning to show concern that there might be limitations to the public return on its investment in higher education and questioned its ability to support an ever-greater proportion of public dollars going to postsecondary education in the face of competing public demands in other sectors such as health care and social services. This occurred in spite of the government's recognition that postsecondary education was a potential engine for economic growth and international competitiveness as well as a boon to social and cultural policy objectives. Government began to recoil from an open-ended commitment to financing growth in the postsecondary sphere in the early 1970s, even as individuals were becoming more aware of the personal and economic benefits associated with a postsecondary education in an increasingly competitive and global economy. Colleges and universities continued to expand.

The Search Begins

The first provincial initiative in the search for a broad new policy direction began in the latter half of the 1960s. Government was becoming convinced that the policies of the late 1950s and early to mid-1960s, fostering expansion in both postsecondary sectors, were no longer appropriate in view of the level of available funding in the 1970s, and in the face of projections suggesting that there would be a decline in postsecondary enrolments. It was felt that a new policy framework was required to reconcile the growing disparity between the changing fiscal priorities and policies of government and the activities and financial expectations of the institutions.

A distant early warning, signaling the need for a new approach to postsecondary education policy, was sounded in 1966 by the Commission to Study the Development of Graduate Programmes in Ontario Universities, chaired by John Spinks, President of the University of Saskatchewan. Although the commission's recommendations were made in the context of graduate program development, its central observation with respect to the nature of the government's relationship with universities was seen by many as relevant to the whole of the postsecondary exercise:

> The most striking characteristic of higher – not only graduate – education in Ontario is the complete absence of a master plan, of an educational policy, and of a co-ordinating authority for the provincially-supported institutions.[7]

In 1969, the government appointed a second commission. The dominant question was by now quite explicit: how to revise the postsecondary policy framework in Ontario in such a way as to accommodate continued increases in student demand in the short-term followed by anticipated enrolment decline over the longer-term, all within a context of increased budgetary constraint. Douglas Wright, then also Chair of the Committee on University Affairs, was named to head a Commission on Post-Secondary Education in Ontario (COPSE). Over a period of four years the commission considered "...the pattern necessary to ensure the further effective development of post-secondary education in the Province during the period to 1980, and in general terms to 1990..."[8] The scope of this mandate included all of publicly-supported postsecondary education, universities and the new college system, as well as adult and continuing education.

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[7] J.W.T. Spinks, (Chair), Gustave O. Arlt and F. Kenneth Hare, *Report to the Committee on University Affairs and the Committee of Presidents of Provincially Assisted Universities of the Commission to Study the Development of Graduate Programmes in Ontario Universities*, Toronto: The Commission, 1966, p. 77

The commission's report, *The Learning Society* (1972), stands as the only comprehensive review of the postsecondary policy framework to include both colleges and universities. The commission promoted postsecondary education as "a continuous, life-long process", encompassing colleges, universities, and social and cultural institutions. It recommended a policy framework where operating grants distinguished between educational and instructional expenditures on the one hand, and payments for research and other activities on the other. It advocated tuition fee freedom for institutions, regular performance reviews for all faculty, including those with tenure, the linking of tenure and sabbatical directly to faculty performance, and greater differentiation among institutions as to mission and programs offered. The Commission also advocated that overall coordination and planning be the responsibility of "a permanent Ontario Committee on Post-Secondary Education".

The commission's recommendations were generally seen as too radical and few were accepted. The government rejected the Commission's recommendation for the establishment, by statute, of an intermediary body with an inclusive postsecondary mandate. However, two years later government did create, by order-in-council, an advisory body for universities called the Ontario Council on University Affairs. Its mandate was to advise primarily on matters of university funding and to consult, on an "arms-length" basis, with the university community on matters of policy. For the colleges, the Council of Regents continued to play an intermediary role in their relations with government.

In fact, at the same time as enrolments were expected to decline, postsecondary participation rates began to increase unexpectedly, first gradually, and then more rapidly. This posed particular challenges for universities since declining enrolments had been anticipated. In 1983, the participation rate of the traditional "university age" population of 18-24 year old Ontarians appeared to be in the range of 15.6%, the highest in Canada and well above the Canadian average of 13.5%. Ontario universities had also experienced an increase in the proportion of non-traditional students in the over 25 age group. By 1982-83, this group represented 16 per cent of all full-time and 78 per cent of all part-time students in Ontario universities. Against the backdrop of a series of attempts to align the costs of an expanding university sector with restraint in public spending, the government initiated yet another inquiry with respect to the appropriate fiscal and policy framework for universities, this one chaired by Harry Fisher, Deputy Minister of Colleges and Universities.

The government anticipated that Fisher's report would assist it in reconciling the publicly endorsed objectives for Ontario universities with the levels of public funding then available. Instead, the report advocated a need for increased priority on universities and commensurate increases in funding levels in order to maintain program quality, in concert with clearly defined roles for each institution. The committee observed that if funding could not be provided at the recommended levels, government could only ensure the maintenance of a university sector of acceptable quality through major restructuring involving one or more of the following measures: "reducing the number of universities; changing the character of some or all of the universities, and limiting their range of activities; and grouping universities in two or more categories with different missions."[9] If recommended funding levels were not forthcoming, the committee envisioned a radically different university sector composed of one comprehensive university, not more than four full-service universities offering a restricted range of high-quality programs at all degree levels, and four or five special-purpose institutions, some of which would be designated to serve northern Ontario, with the remainder to be closed or restructured.

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[8] Commission on Post-Secondary Education in Ontario, *The Learning Society. Report of the Commission on Post-Secondary Education in Ontario*, "Terms of Reference", Toronto: Queen's Printer, 1972, p. iii.

Uninspired by the "future roles" for universities envisioned by the Fisher Committee, government struck yet another group to look ahead on its behalf, rephrasing the question this time to focus on the "future development" of the provincially-assisted universities. Established in January 1984, the Commission on the Future Development of the Universities of Ontario, with Edmund Bovey (Chair), J. Fraser Mustard, and Ronald Watts as commissioners, was given a very broad mandate to examine ways to "better enable the universities of Ontario to adjust to changing social and economic conditions" while strengthening "...their ability to contribute to the intellectual, economic, social and cultural foundations of society..." within the context of "...fiscal restraint and prudent management of public funds." More specifically, it was to

> ...develop an operational plan which, without reducing the number of universities ... provides for more clearly defined, different and distinctive roles for the universities of Ontario in order to maintain and enhance the quality of university education by ensuring the appropriate concentration of academic strengths in areas of intellectual and social importance...[10]

Styled a "strategic plan of action", their report, submitted in December 1984, was titled *Ontario Universities: Options and Futures*. The title reflected the Commission's view that government's support of its universities was akin to an investment decision that would "yield positive returns" to the economy and society. The Commission recommended enhancing institutional differentiation through evolution within a competitive context rather than by formal designation and central control. It sought to emphasize quality in teaching and research, proposed differential funding "corridors" to buffer enrolment fluctuations and facilitate greater institutional flexibility, recommended a faculty renewal and adjustment fund, and accepted reasonable and gradual increases in tuition fees conditional upon an income contingent loan repayment plan. It also envisaged new approaches to funding resource-intensive research, and a reconstituted intermediary body between government and the universities.

Where tuition fee increases were concerned, the commission recommended a revised fee schedule that would increase the proportion of the education costs borne by students and introduce greater differentials among program fees, reflecting the relative costs of programs. Clinically-oriented second-entry professional program fees, for example, should be three times that charged for undergraduate direct-entry programs.

Although there was tangible support for the thrust of the report within the university community, it was insufficient to maintain enough momentum for change following the defeat of the government, bringing to an end 42 years of continuous Conservative government. The newly elected Liberal government chose to focus its attention on the issue of accessibility and introduced new funding devices. Aspects of the new funding approach could be traced back to Bovey Commission recommendations, including the use of funding corridors and targeted funding envelopes. Overall, however, and despite almost 20 years of reexamination and reconsideration, the policy environment for universities continued to be characterized largely by the policies set out by John Robarts in 1963, modified through pragmatic incrementalism. And with that, the stated policy objectives continued in conflict with the resources made available to meet them.

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[9] The Committee on the Future Role of Universities in Ontario, *The Report of the Committee on the Future Role of Universities in Ontario*, Toronto: Ministry of Colleges and Universities, August 1981, p. 43.

[10] The Commission on the Future Development of the Universities of Ontario, *Ontario Universities: Options and Futures*, Toronto, December 1984, "Terms of Reference".

Rethinking the Colleges

Parallel to the search for new policy directions for universities, in the early 1980s government began to respond to a perceived need for changes in the policy framework pertaining to the college sector which was facing increasing student demand, fiscal constraint and a crisis of governance.

In June 1981, the Minister of Colleges and Universities requested that the Chairman of the Ontario Council of Regents for Colleges of Applied Arts and Technology, N.E. Williams, establish a "participative task force with a view to resolving the complex and important issue of CAAT growth."[11] The balance of the Task Force was composed of representatives from the colleges and the Ministry of Colleges and Universities.

In its December 1981 report, the Task Force concluded that the perceived decrease in the "client pool" for colleges was unsubstantiated and in fact demand for college education was increasing while "concern over lessening real support for the college system from government sources" was "well-founded". In view of its findings, the Task Force concluded that the mandate of the colleges as originally conceived harboured potentially conflicting priorities which became particularly pronounced in an environment where funding levels were perceived as insufficient while student demand was increasing. This mandate contained three objectives: to serve the needs of their own community or catchment area; to meet the needs of the market-place by providing qualified manpower, particularly with regard to new technologies; and to provide postsecondary education to all non-university-bound students capable of profiting from it. The potential for conflict was deemed greatest around issues of local needs and priorities versus provincial needs and priorities, as well as around labour market needs and priorities versus student needs and priorities.

The Task Force, therefore, recommended a review of the colleges' mandate and the preparation of a "blueprint" against which college policies could be evaluated and funding levels could be identified, commensurate with the level of access "desired and required" by government. In the event that additional government support was not forthcoming, the Task Force advocated fee flexibility with respect to part-time enrolments and a moratorium on the expansion of physical plant for the purposes of growth.

College admission policies had originally been based on the notion of "random selection". When programs were oversubscribed, students who met the minimum requirements were selected on a random basis. This approach was intended to prevent "academic elitism" on the part of the colleges. However, there was growing dissatisfaction with the "random selection" policy. Detractors argued that it was not the most effective use of public funding as it did not necessarily ensure that the students selected were also the best able to benefit from an opportunity to obtain a college education and it was not "fair". On this matter, the Task Force recommended an admissions policy that allowed for a degree of selectivity.

It was further recommended that program approval policies be brought into line with funding restraints. To this end, it was suggested that the Council of Regents revise program approval procedures and policies to provide for program rationalization, program closures, and ongoing program reviews to ensure relevance. It was noted that inter-college cooperation in curriculum development and review, administrative support systems, alternative modes of educational delivery, and planning would make more effective use of available resources, and to this end they recommended the creation of incentives to encourage inter-institutional cooperation.

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[11] Minister's Task Force on College Growth, *Growth in Ontario Colleges of Applied Arts and Technology*. Toronto: Ministry of Colleges and Universities, December 1981, p. 2.

Finally, a new funding mechanism was recommended that would provide the colleges with greater stability and provide funding levels more closely approximating increases in actual costs, reducing the fluctuations and unpredictability inherent in the existing mechanism, which was completely driven by an institution's relative share of system enrolments.

As predicted by the Task Force, college enrolments continued to increase. In fact, by 1984 full-time student numbers had reached almost 99,000. Although full-time enrolment levels dipped to a low of about 95,000 in 1986 they quickly resumed a pattern of steady growth reaching 103,500 in 1990, and over 136,000 in 1996.

In response to the Task Force's report, an admissions policy committee was formed within the Ministry that subsequently established a new provincial admissions policy framework for the colleges that introduced selectivity criteria. This framework remains the foundation of the current college admissions policy. Many of the other issues addressed related to governance and the colleges' mandate. That in turn lead to the appointment in December 1985, of Walter Pitman, then Executive Director of the Ontario Arts Council, as the Minister's advisor in the assessment of "the current governance structure of Ontario's college system".

Pitman's report, entitled *The Report of the Advisor to the Minister of Colleges and Universities on the Governance of the Colleges of Applied Arts and Technology*, came 80 years after the ground-breaking Flavelle commission on university governance. It cited declining morale of faculty and support staff, of middle management, and of presidents and governors as a major threat to the continuing capacity of the colleges to serve the province. Pitman condemned the tendency in the recent past to view colleges as industrial organizations rather than as learning institutes, which in turn placed too great an emphasis on the "bottom line", entrepreneurism, immediate response to market needs and on bureaucratic models that contributed to a high level of friction between faculty and administrators. Pitman advocated greater emphasis on the quality of teaching, decision-making and work relationships that encouraged collegiality. He premised his recommendations on the belief that more functions and responsibility should be shifted away from the Council of Regents to the local college level and the executive authority exercised by the Council should be devolved either to the local college or to the Minister.

Pitman recommended sweeping changes to college governance structures that included the elimination of the Council of Regents and the establishment of an Advisory Council on Colleges that would not have a role in collective bargaining. Although this aspect of Pitman's advice was not accepted, the relationship of the Council of Regents vis-a-vis the college governors and the Ministry remained an issue. Shortly thereafter, the Minister redefined the role of the Council of Regents, transferring greater responsibility for program approvals to the Ministry, decreasing the Council's role in college governance and refocusing its role toward identifying strategic issues in the colleges. It was this decision which led directly to the Council's launching of the Vision 2000 project in 1988.

Pitman also recommended that every college develop an academic council consisting of internal, elected representatives of the college and that Boards of Governors be restructured to include representatives from the internal community of each college to complement the external membership. In accordance with Ministry guidelines, every college subsequently established a College Council to advise the President on academic and other issues. Board composition was altered to include four internal members representing students, support staff, administrative staff, and faculty.

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With respect to collective bargaining, Pitman advocated greater linking of decision-making, implementation, and accountability through local bargaining, or short of that, delegation of responsibility for bargaining to a "representative group of presidents". The recommendation to improve the relationship between faculty and administrators and make collective bargaining in the colleges more effective by instituting local bargaining was ignored as it had been in the report of the Instructional Assignment Review Committee, chaired by Michael Skolnik in 1985.[12]

In fact, underlying the majority of the college-related policy issues, was a complex web of tensions, pressures and historical baggage emanating from the collective bargaining experience in the college sector. When the colleges were created in 1965, it was widely assumed that, as is the case for most universities whose faculties are unionized, collective bargaining would take place under the *Ontario Labour Relations Act*, and that negotiations would occur on a college by college basis. However, following a series of legal rulings, studies, complex negotiations, and a protracted debate over whether the system should bargain locally or collectively, college academic and support staff employees began to negotiate centrally as a collectivity under the terms of the *Public Service Act* through their bargaining agent, the Civil Service Association of Ontario (CSAO). The Council of Regents, the intermediary body for the colleges, accepted the responsibility of representing the employer in province-wide negotiations with the colleges in 1969.

In 1972, the *Crown Employees Collective Bargaining Act* (CECBA) replaced the *Public Service Act* and amendments were made to the *Ministry of Colleges and Universities Act* which brought collective bargaining in the colleges under CECBA, and confirmed the Council of Regents as the bargaining agent for the colleges. The status of the individual colleges as the employers of academic and support staff was retained. In July 1975, all labour relations matters related to colleges fell under a new and unique piece of legislation, the *Colleges Collective Bargaining Act (CCBA)*, which "completely altered the process of collective bargaining in the colleges, allowing the right to strike or lock-out, subject to a rigid set of requirements and adherence to various time lines as well as significantly expanding the scope of bargaining" and defined the role of the new College Relations Commission, an agency created with responsibility for overseeing collective bargaining in the colleges.[13]

Almost from the colleges' inception, issues around the nature and structure of collective bargaining festered, making constructive collective bargaining relationships difficult. A number of these issues came to a head during the 18 day province-wide strike of the academic employees in 1984 which caused a major disruption in the college system. Subsequent bargaining resulted in a workload formula. The colleges faced another 20 day strike in 1989. One of the significant decisions flowing from that strike involved the establishment of a wages and benefits task force, chaired by William Marcotte, to ensure the existence of mutually agreed upon data for collective bargaining purposes.

In 1987, the Minister of Colleges and Universities commissioned Jeffery Gandz, a professor in the Business School at the University of Western Ontario, to "review and advise the Minister of Colleges and Universities on the effectiveness of the current college collective bargaining process."[14] In early 1988, the Ministry released Gandz's advice, entitled *The Report of the Colleges Collective Bargaining Commission*. The Report identified a wide range of issues pertaining to the overall structure of the college system and operational matters. The most significant of the structural issues addressed in the Report were:

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[12] Instructional Assignment Review Committee, Michael Skolnik, Chair, *Survival or Excellence?: A study of instructional assignment in Ontario Colleges of Applied Arts and Technology*, Toronto, 1985.

[13] Jeffrey Gandz, *The Report of the Colleges Collective Bargaining Commission*, Ministry of Colleges and Universities, January 1988, pp. 51-52.

[14] Gandz, p. (i).

- an ambiguous government role resulting in the perception of government control of management's bargaining agent, the Ontario Council of Regents;
- the centralized nature of college bargaining and the limited ability of colleges to respond to local circumstances;
- the *CCBA* excluded a significant group of employees (predominantly part-time employees) from the right to bargain, which was perceived as unfair; and
- the use of a government agency (the Ontario Council of Regents) as the management bargaining agent resulting in a lack of college ownership in the collective agreement.

Gandz recommended a new framework for collective bargaining in the colleges, which included measures to maintain central bargaining while encouraging and legitimizing local agreements, and replaced the Council of Regents as management's bargaining representative with a compulsory employers' association. The recommendations of this report served to highlight the fundamental relationship between the colleges' collective bargaining framework, the college teaching and working environment and the effectiveness of the college system as a whole. Changes which would have achieved some of Gandz's recommendations were pursued through amendments placed before the Legislature in 1992. Debate reached the stage of second reading, but was never completed and the bill "died on the order paper".

Later the same year, the Minister of Colleges and Universities requested that the Ontario Council of Regents oversee a comprehensive and far-reaching review of Ontario's colleges that would develop "a vision of the college system in the year 2000". Five study teams were established to undertake research and public consultation on different aspects of the college system. To this was added the results of consultation with Francophone representatives, environmental scan research, and the results of focus group discussions, public presentations, and personal interviews. Thirty-nine background papers were produced which guided the development of recommendations by a Steering Committee.

Two years later, the government was presented with forty recommendations addressing major challenges perceived to be facing the colleges, including the lack of system-wide standards and planning, insufficient attention to general education and generic skills, limitations on access, inattention to adult part-time learners and inadequate mechanisms for recognition of prior learning, lack of flexibility with respect to changing employer needs, attrition, inadequate linkages with secondary schools and universities, insufficient provision for the system-wide development of human resources, curriculum and delivery methods and perceived conflicts among quality, access, funding and labour-management relations. A renewed mandate for the college system was proposed:

> Vision 2000 has concluded that the colleges of the future should be even more accessible, more needs-driven, more flexible and open to change, and more community-focussed than they are now.[15]

System-wide quality standards and regular program review were recommended. The report proposed that a College Standards and Accreditation Council (CSAC) with executive authority for system-wide program standards, review and accreditation, be established to act as a "guarantor of overall academic quality and direction for the system..." Other recommendations advocated greater college-university program articulation. Of particular note was a recommendation to "expand and improve opportunities for students to move between the college and university sectors, while maintaining the distinctiveness of each." In many respects this was an ironic turn of events since neither the colleges nor universities had to date demonstrated a particularly high degree of cooperation. Coordination was generally seen as difficult enough within each sector, without adding expectations that it should extend across what remained a firm binary divide.

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[15] Ontario Council of Regents for Colleges of Applied Arts and Technology, *Vision 2000: Quality and Opportunity: A Summary*, Toronto: Ministry of Colleges and Universities, 1990, p. 8.

The case was made for greater emphasis on advanced training. The report advocated the development of programs of advanced training with a unique credential and the creation of a provincial institute "without walls" to facilitate the development and co-ordination of arrangements between colleges and universities for joint degree programs.

In order to meet current and emerging societal needs more effectively, it was recommended that the colleges' ability to provide fee-for-service activities be facilitated, that the needs of part-time learners be supported, and that a prior learning assessment network be established. It was also noted that there was a need to revise the college funding mechanism to provide greater funding stability, reduce counter-productive enrolment competition among colleges, and strengthen accountability in the use of public resources.

Government undertook three initiatives arising from Vision 2000's recommendations:

- a College Standards and Accreditation Council (CSAC) was established to oversee the development of system-wide college program standards, and processes for review and accreditation;
- a Prior Learning Assessment Advisory and Coordinating Group was established for a three year period to guide implementation of a system of prior learning assessment in the colleges, after which time each college would assume full responsibility for offering prior learning assessment services; and
- the government established a task force to examine how best the province could meet its advanced training needs.

This task force, called the Task Force on Advanced Training, was chaired once again by Walter Pitman who, in the meantime had served terms as Director of the Ontario Institute for Studies in Education and as President of Ryerson Polytechnic Institute. He was charged with:

> ...identifying the needs of the province for advanced training - as seen from the points of view of student, employee, and employer; ...recommending ways of more effective transfer between college and university...determining the need for an expansion of current training opportunities and whether or not this would require a new and special type of education not currently available in this province.[16]

In addressing the challenges posed by the prospect of an under-trained workforce in a technologically-dominated economy, the Task Force proposed a number of system changes to link colleges, universities, business and industry in Ontario in designing advanced training programs. It cited a wide variety of structural, policy and attitudinal changes that must occur if Ontario's postsecondary sectors were to meet the needs of learners more effectively throughout their lifetime. It recommended that barriers to inter-sectoral transfer of credits in postsecondary education be eliminated and that an agency or council be established to provide leadership in the development of credit transfer policies and practices. It also recommended the creation of an institute with specially designated degree-granting powers, to act as a broker in creating new programs spanning both college and university curricula.Underpinning these recommendations was the recognition of a need for new policies with respect to college and university funding mechanisms that would support and encourage inter-sectoral credit transfer arrangements and joint advanced training programs.

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[16] Task Force on Advanced Training, *No Dead Ends: Report of the Task Force on Advanced Training to the Minister of Education and Training*, April 30, 1993, pp. 3-4.

Several steps were taken in response to the Task Force's recommendations. In 1994, the Ministry announced its support of a voluntary consortium representing colleges and universities intended to promote college-university cooperation which became known as the College-University Consortium Council (CUCC). The Ministry also financed the development and distribution of a college-university credit transfer guide. Finally, the government initiated further analysis of advanced training needs and opportunities for Franco-Ontarians.

Enhancing opportunities for college instruction in the French-language took on a degree of urgency after the publication of a 1985 study indicating that the participation rate of francophones in postsecondary education was half that of non-francophones.[17] In 1990, Ontario opened the first French-language college, La Cité collégiale, in Ottawa. Further to this, two reports submitted in 1990 by the Advisory Commission on French Language College Services, chaired by Jean-Louis Bourdeau,[18] verified the francophone community's need for new French-language colleges in Northern and Central/Southwestern Ontario.

In 1993, the government announced two new French-language colleges to be opened in 1995 - Collège Boréal and Collège des Grands Lacs. Boréal was established with campuses throughout the North while Grands Lacs was created as a distance education college with access centres throughout the Central/Southwestern region. These developments completed the French-language college network, making French-language college programs available in all regions of the province. The government consequently withdrew the bilingual mandate of Algonquin, St. Lawrence, Cambrian, Canadore, Northern and Niagara colleges. The establishment of the three new French-language colleges was made possible through a cost-sharing agreement with the federal government.

Universities: Access and Accountability

By the early 1990s, government's attention with respect to the university sector was focused on two issues. The first was how universities could more effectively achieve government's accessibility objectives in view of increasing demand for university education, combined with continued restrictions on university funding levels. The second issue was how to improve university accountability.

The latter concern emerged largely in response to the Provincial Auditor's conclusion, following inspection audits of three universities between 1988 and 1990, that "accountability for the significant amount of funding provided to Ontario's universities remains inadequate..."[19] and that comprehensive provincial audits of universities were required. In 1991, the Minister of Colleges and Universities announced a two-pronged review of university accountability.

In September 1991, William (Bill) Broadhurst, a member of the Ontario Council on University Affairs (OCUA), was named chair of the Task Force on University Accountability. The Task Force was composed of twelve members, broadly representative of the university community. It was given a mandate "to develop recommendations for a framework to provide for the clear accountability of Ontario's universities to the public". More specifically, the Task Force was directed to focus on accountability at the institutional level related to: existing accountability mechanisms and identification of gaps and overlaps; potential relative roles and responsibilities of government, OCUA and university governing structures for the development, implementation and monitoring of systems which ensure and demonstrate university accountability; mechanisms and measures to address public accountability for the overall goals and objectives of universities; financial accountability of universities to government and organizational efficiency and effectiveness; and identification of costs and timing of the implementation of a proposed accountability framework.[20]

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[17] See S. Churchill, N. Frenette, and S. Quazi, *Éducation et besoins des Franco-Ontariens: Le diagnostic d'un systèm d'éducation. Volumes 1 et 2*, Toronto: Conseil de l'éducation franco-ontarienne, 1985.

[18] See *Rapport de la Commission consultative sur les services colléiaux en français dans le Centre/Sud-Ouest de l'Ontario* and *Rapport de al Commission consultative sur les services colléiaux en français dans le Nord de l'Ontario*, Toronto: Ministry of Colleges and Universities, 1990.

[19] Task Force on University Accountability, *University Accountability: A Strengthened Framework*, May 1993, p. 14, quoting from a letter the Provincial Auditor to the Deputy Minister, Colleges and Universities, December 20, 1990, p. 8.

At the same time, the Minister requested that OCUA provide advice on "whether and how to establish a system of program review as a means of ensuring public accountability for academic quality in provincially-assisted universities".[21]

In May 1993, the Task Force on University Accountability issued its final report, entitled *University Accountability: A Strengthened Framework*. The approach developed by the Task Force involved an institutionally-based accountability framework, the locus of which was the governing body of each institution. Institutional responsibilities, however, were to be balanced by an independent, external monitoring agency, an Accountability Review Committee, to be located within OCUA. Responses from the university community reflected an overall acceptance of the thrust of the report and the Minister directed the universities to implement those recommendations that fell within their purview. However, the Minister's overall approach to an accountability framework awaited the OCUA advice on accountability for program quality.

This advice was not long in coming. Just two months later, in July 1993, OCUA submitted its advice, noting that although the Ontario Council on Graduate Studies' appraisal process had been providing accountability for graduate program quality since the late 1960s, there was "no province-wide systematic quality review process at the undergraduate level."[22] The Council recommended a "monitored self-regulation" approach to accountability for program quality. This process was intended to ensure that policies and processes for reviewing the quality of undergraduate programs were developed and conducted by individual institutions and that the processes, as opposed to the results, were subject to audit by an independent body, a new "Academic Quality Audit Committee", whose members would be publicly appointed. This approach mirrored that of the Task Force on University Accountability in striking what was thought to be a reasonable balance between the institutional autonomy and academic freedom of self-governing institutions, and the manner and degree to which such institutions were required to demonstrate publicly that they were making sound academic and financial choices in the context of available resources and the government's economic, social and cultural policies.

Facing unfavourable university reaction to the potential establishment of yet another oversight agency, and the recommendation of OCUA to rationalize the number of advisory bodies established to monitor accountability matters, the Minister delayed his decision with respect to the establishment of additional monitoring agencies until the issue of an appropriate role for the ministry within the overall accountability framework was resolved. The issue was further complicated by the Minister's announcement in February 1995 of an Education Quality and Accountability Office (EQAO) with

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[20] Task Force on University Accountability, p. 16.

[21] Ontario Council on University Affairs, *Twentieth Annual Report 1993-94*, "Advisory Memorandum 93-VI Academic Quality Reviews", Toronto: December 1994, p. 246.

[22] Ontario Council on University Affairs (1994), p. 251.

"responsibility for addressing issues of educational quality and accountability in the elementary/secondary sector and the postsecondary sector..."[23] suggesting that the Ministry was contemplating one body with a mandate for accountability encompassing all levels of publicly-supported education.

Although postsecondary responsibilities for the EQAO have not yet materialized, the Council of Ontario Universities first proposed, and then established its own undergraduate program review audit committee with responsibility for conducting annual audits of the institutional mechanisms for review of undergraduate program quality. The first cycle of undergraduate program quality reviews is schedule to commence in 1997. The external monitoring body that the Task Force on University Accountability argued was essential to the achievement of a strengthened accountability framework has not been established.

While intensive examination of accountability issues was put on the back burner, the government requested yet another review of the funding mechanism for Ontario universities. In November 1993, the Minister of Education and Training asked OCUA to provide advice concerning revisions to the funding processes with a view to promoting specific policy objectives. These objectives included increased accessibility, greater emphasis on teaching, enhanced credit transfer among universities and between universities and colleges, program rationalization, and enhanced accountability for the resources allocated to teaching, research and community service.

The Council prefaced its June 1995 advice by underlining the problem of sustaining quality indefinitely in the face of continued enrolment pressures and resource constraints:

> While Council believes that some accessibility can be promoted within existing resources, it also believes that sustained increases in enrolment will have a negative impact on quality. There is not an unlimited potential for growth without new funds. Council is uncertain at what point system growth will become untenable without new funds, but it recommends that before this happens it is important for Government to clarify its accessibility policies and objectives.[24]

The Council went on to recommend a new funding mechanism that unbundled public support for teaching and scholarship on the one hand from funding directed towards research, while retaining a single institutional block grant for allocation purposes. The new funding arrangement was intended to respect the existing decentralized nature of institutional governance, academic decision-making and management processes within a new framework of system-level coordination and planning intended to facilitate the achievement of government's specific policy objectives. None of this advice was acted on. OCUA was abolished in August 1996, while the search for an effective policy framework for postsecondary education continues.

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[23] Memorandum from the Honourable Dave Cooke, Minster of Education and Training, to Executive Heads and Chairs of the Governing Boards/Councils of the Provincially-assisted Universities, Ontario College of Art, Ontario Institute for Studies in Education, February 17, 1995, Re: Creation of an Education Quality and Accountability Office.

[24] Ontario Council on University Affairs, *Resource Allocation for Ontario Universities: Advisory Memorandum 95-III*, June 1995, p. 1.

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